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

FORM 10-K

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

For the fiscal year ended September 30, 2023

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	**82-0291227**
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
9030 North Hess St., Suite 161 **Hayden, Idaho**	**83835**
(Address of Principal Executive Offices)	(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**	**OTCQB**
	TBR	**TSX-V**

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required by Section 13 or 15(d) of the Securities Exchange Act of 1934 ("Exchange Act") during the preceding 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 (§ 229.405 of this chapter) 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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 definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller 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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

As of March 31, 2023, the aggregate market value of the voting and non-voting shares of common stock of the registrant issued and outstanding on such date, excluding shares held by affiliates of the registrant as a group, was $6,903,983. This figure is based on the closing sale price of $0.08 per share of the Registrant's common stock on March 31, 2023 on the OTCQB**.**

Number of shares of Common Stock outstanding as of December 29, 2022: 189,996,152

TABLE OF CONTENTS

Unless otherwise indicated, any reference to "Timberline", or "we", "us", "our", etc. refers to Timberline Resources Corporation and/or all its subsidiaries, including Staccato Gold, BH Minerals, Wolfpack US, Lookout Mountain LLC and Talapoosa Development Corp.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K and the exhibits attached hereto contain "forward-looking statements" within the meaning of the various provisions of the Securities Act of 1933, as amended (the "Securities Act"), and the Securities Exchange Act of 1934 (the "Exchange Act"). Such forward-looking statements concern the Company's anticipated results and developments in its operations in future periods, planned exploration and development of its properties, plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. These statements include, but are not limited to, comments regarding:

- the establishment and estimates of tonnage and grade of mineralization and reserves;
- forecasts of future gold and silver prices, anticipated expenditures and costs in our operations;
- planned exploration activities and the anticipated timing and results of exploration activities;
- planned technical reports, economic assessments and feasibility studies on our properties;
- plans and anticipated timing for obtaining permits and licenses for our properties;
- expected future financing and its anticipated outcome;
- plans and anticipated timing regarding production dates;
- anticipated liquidity to meet expected operating costs and capital requirements;
- our ability to obtain financing to fund our estimated expenditure and capital requirements; and
- factors expected to impact our results of operations.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation, risks related to:

- our limited operating history;
- our ability to continue as a going concern and to fund our operations;
- a history of losses and our expectation of continued losses;
- the geological risk of mineral exploration;
- properties being in the exploration or, if warranted, development stage;
- bringing our projects into production;
- legislative and administrative changes to mining and environmental laws;
- land reclamation requirements and costs;
- mineral exploration and development activities being inherently hazardous;
- our insurance coverage for operating risks;
- cost increases for our exploration and development projects;
- shortages of skilled personnel, equipment and supplies adversely affecting our ability to operate;
- mineral resource and economic estimates;
- the metallurgical characteristics of current resources and future discoveries;
- fluctuation of prices for precious and base metals, such as gold, silver and copper;
- competition in the mineral exploration industry;
- title and rights in our mineral properties;
- integration issues with acquisitions;
- our shares trading on the Over-the-Counter markets and market conditions generally;
- joint ventures and partnerships;
- potential conflicts of interest of our management;

- dependence on key management;
- our Eureka and other acquired growth projects;
- our business model;
- evolving corporate governance standards for public companies;
- our Canadian regulatory requirements; and
- our shares of common stock or other securities.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the sections titled "Risk Factors", "Description of Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated, or expected. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. We disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events, except as required by law.

We qualify all the forward-looking statements contained in this Annual Report by the foregoing cautionary statements.

PART I

Note to U.S. Investors Regarding Mineral Reserve and Resource Estimates

Certain of the technical reports referenced in this Annual Report use the terms "mineral resource," "measured mineral resource," "indicated mineral resource" and "inferred mineral resource". We advise investors that these terms are defined in and required to be disclosed in accordance with Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") – *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council, as amended. As a reporting issuer in Canada, we are required to prepare reports on our mineral properties in accordance with NI 43-101. We reference those technical reports in this Annual Report for informational purposes only, and such reports are not incorporated herein by reference. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Investors are cautioned not to assume that any part or all of mineral deposits in the above categories will ever be converted into reserves.

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. This Annual Report on Form 10-K incorporates the disclosures and information required under the guidance of Subpart 1300.

ITEM 1. DESCRIPTION OF BUSINESS

Incorporation and Early History

We were incorporated in the State of Idaho in August 1968 under the name Silver Crystal Mines, Inc., to engage in the business of exploring for precious metal deposits and advancing them toward production. We ceased exploration activities during the 1990's and became virtually inactive. In December 2003, a group of investors purchased 80-percent of the issued and outstanding common stock from the then-controlling management team. In January 2004, we affected a one-for-four reverse split of our issued and outstanding shares of common stock and increased the number of our authorized shares of common stock to 100,000,000 with a par value of $0.001.

In February 2004, our name was changed to Timberline Resources Corporation. Since the reorganization, we have been in an exploration stage evaluating, acquiring, and exploring mineral prospects with potential for economic deposits of precious and base metals. We define a prospect as a mining property, the value of which has not been determined by exploration. In August 2008, we reincorporated into the State of Delaware pursuant to a merger agreement approved by our shareholders.

In July 2007, we closed our purchase of the Butte Highlands Gold Project. In October 2008, we announced that we had agreed to form a 50/50 joint venture at the Butte Highlands Project. In July 2009, we finalized the joint venture agreement with Highland Mining, LLC ("Highland") to create Butte Highlands JV, LLC ("BHJV"). Under terms of the joint venture agreement, development began in the summer of 2009, with Highland funding all mine development costs through development. Both Timberline's and Highland's 50-percent share of costs were to be paid out of net proceeds from future mine production. On January 29, 2016, we executed a Member Interest Purchase Agreement (the "Purchase Agreement") with New Jersey Mining Company pursuant to which we sold all of our 50% interest in BHJV.

In June 2010, we closed our acquisition of Staccato Gold Resources Ltd. ("Staccato Gold"), a Canadian-based resource company that was in the business of acquiring, exploring, and developing mineral properties with a focus on gold exploration in the dominant gold producing trends in Nevada. As a result of this acquisition, we obtained Staccato's flagship gold exploration project ("Lookout Mountain"), and several other projects at various stages of exploration in the Battle Mountain/Eureka gold trend in north-central Nevada, along with Staccato Gold's wholly owned U.S. subsidiary, BH Minerals USA, Inc. ("BH Minerals").

In August 2014, we closed our acquisition of Wolfpack Gold (Nevada) Corp. ("Wolfpack US"), a U.S. company and a wholly owned subsidiary of Wolfpack Gold Corp., a Canadian-based resource company ("Wolfpack Gold"), that was in the business of acquiring, exploring, and developing mineral properties with a focus on gold exploration in the dominant gold producing trends

in Nevada. As a result of this acquisition, we obtained cash and several projects at various stages of exploration in the gold trends in Nevada.

On March 17, 2015, Timberline signed a definitive option agreement to purchase 100% ownership in the Talapoosa Project in Nevada from Gunpoint Exploration Ltd. (Gunpoint). The Talapoosa Project is located in western Nevada and contains a resource of over 1 million ounces of gold. Under terms of the agreement Timberline paid Gunpoint $300,000 in cash and 2,000,000 shares of common stock on signing the agreement and was required to pay $10,000,000 ("Option Payment") within 30 months of the agreement date to acquire 100% ownership, subject to significant contingent payments if the price of gold traded above US $1,600 per ounce for extended periods in the five (5) ensuing years. On October 26, 2016, the agreement was amended to extend the option exercise period to March 31, 2019 with the following schedule: payment of $1,000,000 and 1,000,000 common shares of the Company by March 31, 2017, payment of $2,000,000 and 1,000,000 common shares by March 31, 2018, and a final payment of $8,000,000 and 1.5 million common shares by March 31, 2019. Timberline chose to not make the required payment due on March 31, 2018, and, therefore, the Agreement was terminated, resulting in a $3.2 million write off of a loss on abandonment of mineral rights.

In May 2018, we entered into a definitive agreement to acquire ownership interests in two joint venture agreements in Nevada from Americas Gold Exploration, Inc ("AGEI"). The acquisition included a 73.7% interest in the Paiute property joint venture with Nevada Gold Mines LLC ("Nevada Gold"), and the opportunity to earn up to 65% ownership in the Elder Creek joint venture with McEwen Mining, Inc. The acquisition of the two joint venture ownership interests, at Elder Creek with McEwen Mining and at Paiute with Nevada Gold, from AGEI closed on August 14, 2018 for consideration of ten million shares of our common stock and five million warrants to purchase shares of our common stock. An additional five million warrants with the same terms were issued to AGEI contingent upon certain achievements. Upon closing, we became the operator at both of these joint venture projects. Timberline elected to return control and ownership of the Elder Creek property to McEwen Mining in July of 2020. The ICBM Joint Venture Earn-in Agreement has expired, and Timberline vested its property interest at 74.1%.

During the year ended September 30, 2019, the Company recognized an abandonment expense of $48,500 relating to two patented mining claims at in the New York Canyon area of the Eureka property on which the Company had ceased making advance royalty payments.

On June 28, 2019, we entered into a Limited Liability Company Agreement (the "LLC" and the "LLC Agreement") with PM & Gold Mines, Inc. ("PM&G") for the advanced exploration, and if determined feasible, the development of the Lookout Mountain Gold Project, a significant portion of the Company's broader Eureka property located on the southern end of the Battle Mountain-Eureka Trend near Eureka, Nevada. PM&G was a private firm incorporated in Nevada with an interest to explore and advance gold projects to production. The LLC Agreement called for PM&G to fund exploration and development activities in two stages for earned equity in the project. Timberline was to contribute certain claims that constituted the Lookout Mountain Project and adjacent historical Oswego Mine area to the LLC in exchange for its ownership position.

Concurrent with completion of the LLC Agreement, PM&G also participated in a private placement and acquired 3,367,441 shares, or 4.99%, of our common shares. The placement included the right of PM&G to maintain its position in Timberline by pro-rata participation in future financings. The initial interests in the LLC were 51% PM&G and 49% Timberline, subject to PM&G's contribution to the LLC in the form of an earn-in. Timberline would manage the project through at least the initial stage of investment, at which time PM&G would have been vested at 51% ownership. PM&G retained the right to manage all subsequent activities with or without Timberline's participation.

Under terms of the LLC Agreement, PM&G committed to $3,000,000 of work expenditure during each of the first two years following the agreement effective date of June 28, 2019. PM&G committed $755,605 towards the first-year obligation due on June 28, 2020, but failed to deliver sufficient capital to meet the required first year investment. Under the terms of the agreement, after written notice and a 30-day cure period, PM&G did not cure the matter and thereby resigned from the LLC Agreement, giving up all claims and rights to the property.

Overview of Our Mineral Exploration Business

We are a mineral exploration business and, if and when we establish mineral reserves, a development company. Mineral exploration is essentially a research activity that does not produce a product. Successful exploration often results in increased project value that can be realized through the optioning or selling of the claimed site to larger companies. We acquire properties which we believe have potential to host economic concentrations of minerals, particularly gold and silver. These acquisitions have and may take the form of unpatented mining claims on federal land, or leasing claims on private property owned by others. An unpatented mining claim is an interest that can be acquired in the mineral rights on open lands of the federally owned public domain. Claims are staked in accordance with the Mining Law of 1872, recorded with the federal government pursuant to laws and regulations established by the Bureau of Land Management (the Federal agency that administers America's public lands), that grant the holder of the claim a possessory interest in the mineral rights, subject to the paramount title of the United States.

We perform geological work to identify specific drill targets on the properties, and then collect subsurface samples by drilling to confirm the presence of mineralization (the presence of economic minerals in a specific area or geological formation). We may enter into option and joint venture agreements with other companies to fund further exploration and/or development work. It is our plan to focus on assembling a high-quality group of gold and silver exploration prospects using the experience and contacts of the management group. By such prospects, we mean properties that may have been previously identified by third parties, including prior owners such as exploration companies, as mineral prospects with potential for economic mineralization. Often these properties have been sampled, mapped and sometimes drilled, usually with indefinite results. Accordingly, such acquired projects will either have some prior exploration history or will have strong similarity to a recognized geologic ore deposit model. We place geographic emphasis on the western United States, and Nevada in particular.

The focus of our activity has been to acquire properties that we believe to be undervalued, including those that we believe to hold previously unrecognized mineral potential. Properties have been acquired through the location of unpatented mining claims (which allow the claimholder the right to mine the minerals without holding title to the property), or by negotiating lease/option agreements. Our President and CEO, Patrick Highsmith, our Vice President Exploration, Dr. Steven Osterberg, and our CFO, Ted Sharp, as well as our Directors, have experience in evaluating, staking and filing unpatented mining claims, and in negotiating and preparing transactional agreements in connection with those mining claims, including option and JV or mineral lease agreements.

The geologic potential and ore deposit models have been defined and specific drill targets identified on the majority of our properties. Our property evaluation process involves using geologic fieldwork to perform an initial evaluation of a property. If the evaluation is positive, we seek to acquire it, either by staking unpatented mining claims on open public domain, or by leasing or optioning the property from the owner of private property or the owner of unpatented claims. Once acquired, we then typically make a more detailed evaluation of the property. This detailed evaluation involves expenditures for exploration work which may include rock and soil sampling, geologic mapping, geophysics, trenching, drilling, or other means to determine if economic mineralization is present on the property.

Portions of our mineral properties at September 30, 2023 are owned by third parties and leased to us, or carry a financial commitment from us, as outlined in the following table:

Property Name	Third Party	Number of Claims	Area	Agreements/ Royalties
Lookout Mountain (Eureka)	Rocky Canyon Mining Company	373	6,368 acres	3.5% NSR + 1.5% NSR capped at $1.5 million (excludes Trevor and Dave claims); 20-year lease term commencing June 1, 2008; annual advanced royalty payment of $72,000.
Silverado	Silver International	10	100 acres	1% NSR + $10,000 Annual lease payment
Seven Troughs	Slash, Inc.	302	4,030 acres	2% NSR; 50-year lease term commencing December 31, 1975; no annual lease payments;
Paiute	Nevada Gold Mines by assignment from LAC Minerals (USA) LLC	65	1,343 acres	ICBM Joint Venture Earn-in Agreement expired. Timberline vested property interest at 74.1%.

In the case of properties deemed to be of higher risk due to higher cost exploration or those that host commodities of lesser interest to Timberline (such as base metals), we may choose to present them to larger companies for strategic partnerships. Our strategy is intended to maximize the abilities and skills of the management group, conserve capital, and provide superior leverage for investors.

For our gold and silver prospects where drilling costs are reasonable and the likelihood of success seems favorable, we will undertake our own drilling. The target depths, the tenor of mineralization on the surface, and the general geology of the area are

all factors that determine the risk as calculated by us in conducting a drilling operation. Mineral exploration is a research and development activity and is, by definition, a high-risk business that relies on numerous untested assumptions and variables. Accordingly, we make our decisions on a project-by-project basis. We do not have any steadfast formula that we apply in determining the reasonableness of drilling costs in comparison to the likelihood of success, i.e., in determining whether the probability of success seems "favorable."

Our Competition

The mineral exploration industry is intensely competitive in all phases. In our mineral exploration activities, we compete with many companies possessing greater financial resources and technical facilities than we do for the acquisition of mineral concessions, claims, leases, and other mineral interests as well as for the recruitment and retention of qualified employees, including mining engineers, geologists, and other skilled mining professionals. We use consultants and compete with other mining companies for the man hours of consulting time required to complete our studies. We also compete with other mining companies for exploration and development equipment and services. We must overcome significant barriers to enter into the business of mineral exploration as a result of our limited operating history.

We cannot assure the reader that we will be able to compete in any of our business areas effectively with current or future competitors or that the competitive pressures faced by us will not have a material adverse effect on our business, financial condition, and operating results.

Our Offices and Other Facilities

We currently maintain our administrative office at 9030 North Hess St., Suite 161, Hayden, ID 83835. The telephone number is (866) 513-4859 (toll free) or (208) 664-4859. We also maintain warehouse space in Eureka, NV 89316.

Our Employees

We are an exploration company and currently have three employees. Management engages independent consultants under contract arrangements as necessary to execute on company strategies at the current early exploration stage of our work and expects to hire staff and additional management as necessary for implementation of our business plan.

Regulation

The exploration and mining industries operate in a legal environment that requires permits to conduct virtually all operations. These permits are required by local, state, and federal government agencies. Federal agencies that may be involved include: the U.S. Forest Service (USFS), Bureau of Land Management (BLM), Environmental Protection Agency (EPA), National Institute for Occupational Safety and Health (NIOSH), the Mine Safety and Health Administration (MSHA), and the Fish and Wildlife Service (FWS). Individual states also have various environmental regulatory bodies, such as Departments of Ecology. Local authorities, usually counties, also have control over mining activity. The various permits address such issues as prospecting, development, production, labor standards, taxes, occupational health and safety, toxic substances, air quality, water use, water discharge, water quality, noise, dust, wildlife impacts, as well as other environmental and socioeconomic issues.

Prior to receiving the necessary permits to explore or mine, a mine operator must comply with all regulatory requirements imposed by all governmental authorities having jurisdiction over the project area. Very often, in order to obtain the requisite permits, the operator must have its land reclamation, restoration, or replacement plans pre-approved. Specifically, the operator must present its plan as to how it intends to restore or replace the affected area. Often all or any of these requirements can cause delays or involve costly studies or alterations of the proposed activity or time frame of operations, in order to mitigate impacts. All of these factors make it more difficult and costlier to operate and have a negative and sometimes fatal impact on the viability of the exploration or mining operation. Finally, it is possible that future changes in these laws or regulations could have a significant impact on our business, causing those activities to be economically re-evaluated at that time. For a more detailed discussion of governmental and environmental regulatory requirements applicable to our mineral exploration business see the section titled "Description of Properties - Overview of Regulatory, Economic and Environmental Issues" below.

Reclamation

We generally are required to mitigate long-term environmental impacts of prospecting and drilling activities, which are normally minor but may require contouring, re-sloping and re-vegetating roads and drill sites. Similarly, the greater impacts of mining and mineral processing operations must also be mitigated by stabilizing, contouring, re-sloping and re-vegetating various portions of a site after operations are completed. These reclamation efforts are conducted in accordance with detailed plans, which must be reviewed and approved by the appropriate regulatory agencies and may require us to remit cash to pay for reclamation bonds.

Should we cease operations without performing the required reclamation, these bonds would cover the cost of reclamation activities to be performed by the regulatory agency.

The Commodities Market

The prices of gold and silver have fluctuated during the last several years, with the prices of gold and silver falling to their lowest levels in the past several years in 2015 and early 2016, before rebounding. In 2017, gold traded between approximately $1,151 and $1,346 per ounce. In 2018, gold traded between approximately $1,175 and $1,355 per ounce. In 2019, gold traded between approximately $1,270 and $1,547 per ounce. In 2020, gold traded between approximately $1,474 and $2,067 per ounce. In 2021, gold traded between $1,683 and $1,943 per ounce. In 2022, gold traded between approximately $1,634 and $2,039 per ounce. The price of gold was $2,048 per ounce in April 2023, but traded considerably lower during the year, reaching as low as $1,628 per ounce in November 2022, before rising back up to approximately $2,032 at the time of this writing. All of these gold prices are based on the London PM Fix Price per troy ounce of gold in U.S. dollars.

In 2017, silver traded between approximately $15.22 and $18.56 per ounce. In 2018, silver traded between approximately $13.97 and $17.52 per ounce. In 2019, silver traded between approximately $14.38 and $19.42 per ounce. In 2020, silver traded between approximately $12.01 and $28.89 per ounce. In 2021, silver traded between $21.52 and $29.58. In 2022, silver traded between $17.77 and $26.17 per ounce. The price of silver was $18.39 per ounce in October 2022, and continued to rise to a high of $26.02 in April 2023 before settling at approximately $24.19 at the time of this writing. All of these silver prices are based on the London Fix Price per troy ounce of silver in U.S. dollars.

Seasonality

Seasonality in Nevada is not a material factor to our operations. Certain surface exploration work may need to be conducted when there is no snow on the ground, but it is not a material issue.

ITEM 1A. RISK FACTORS

An investment in an exploration stage mining company such as ours involves an unusually high degree of risk, known and unknown, present and potential, including, but not limited to the risks enumerated below.

Failure to successfully address the risks and uncertainties described below could have a material adverse effect on our business, financial condition and/or results of operations, and the trading price of our common stock may decline and investors may lose all or part of their investment. We cannot assure you that we will successfully address these risks or other unknown risks that may affect our business.

Estimates of mineralized material are forward-looking statements inherently subject to error. Although mineralization and reserve estimates require a high degree of assurance in the underlying data when the estimates are made, unforeseen events and uncontrollable factors can have significant adverse or positive impacts on the estimates. Actual results will inherently differ from estimates. The unforeseen events and uncontrollable factors include: geologic uncertainties including inherent sample variability, metal price fluctuations, variations in mining and processing parameters, and adverse changes in environmental or mining laws and regulations. We cannot accurately predict the timing and effects of variances from estimated values.

Risks Related to Our Company

Our ability to operate as a going concern is in doubt.

The audit opinion and notes that accompany our consolidated financial statements for the year ended September 30, 2023, disclose a ‘going concern’ qualification to our ability to continue in business. The accompanying consolidated financial statements have been prepared under the assumption that we will continue as a going concern. We have incurred losses since our inception. We do not have sufficient cash to fund normal operations and meet all of our obligations for the next 12 months. As of September 30, 2023, we have negative working capital of approximately $108,000. We will need to raise funds in the form of equity or debt financings to fund normal operations for the next 12 months.

Full disclosure of the going concern qualification appears in Part II, Item 7 - Financial Condition and Liquidity, and also in the notes to the financial statements (See Note 2 – Summary of Significant Accounting Policies.)

We have a limited operating history on which to base an evaluation of our business and prospects.

Although we have been in the business of exploring mineral properties since our incorporation in 1968, we were inactive for many years prior to our new management in 2004. Since 2004, we have not yet established any mineral reserves. As a result, we have not had any revenues from our exploration activities. While we have had a wholly owned drilling services subsidiary which has generated revenues in past fiscal years, we no longer own that business. In addition, our operating history has been restricted to the acquisition and exploration of our mineral properties, and this does not provide a meaningful basis for an evaluation of our prospects if we ever determine that we have a mineral reserve and commence the construction and operation of a mine. Other than through conventional and typical exploration methods and procedures, we have no additional way to evaluate the likelihood of whether our mineral properties contain any mineral reserves or, if they do that they will be operated successfully. As a result, we are subject to all of the risks associated with developing and establishing new mining operations and business enterprises including:

- completion of feasibility studies to verify reserves and commercial viability, including the ability to find sufficient gold reserves to support a commercial mining operation;
- the timing and cost, which can be considerable, of further exploration, preparing feasibility studies, permitting and construction of infrastructure, mining, and processing facilities;
- the availability and costs of drill equipment, exploration personnel, skilled labor, and mining and processing equipment, if required;
- compliance with environmental and other governmental approval and permit requirements;
- the availability of funds to finance exploration, development, and construction activities, as warranted;
- potential opposition from non-governmental organizations, environmental groups, local groups, or local inhabitants which may delay or prevent development activities;
- potential increases in exploration, construction, and operating costs due to changes in the cost of fuel, labor, power, materials, and supplies; and
- potential shortages of mineral processing, construction, and other facilities-related supplies.

The costs, timing, and complexities of exploration, development, and construction activities may be increased by the location of our properties and demand by other mineral exploration and mining companies. It is common in exploration programs to experience unexpected problems and delays during drill programs and, if warranted, development, construction, and mine start-up. Accordingly, our activities may not result in profitable mining operations and we may not succeed in establishing mining operations or profitably producing metals at any of our properties. There is no history upon which to base any assumption as to the likelihood that we will prove successful, and we can provide investors with no assurance that we will generate any operating revenues or ever achieve profitable operations.

We have a history of losses and expect to continue to incur losses in the future.

We have incurred losses since inception and expect to continue to incur losses in the future. We incurred the following net losses during each of the following periods:

- $2,180,344 for the year ended September 30, 2023
- $5,961,907 for the year ended September 30, 2022; and
- $4,707,815 for the year ended September 30, 2021

We had an accumulated deficit of approximately $76.5 million as of September 30, 2023. We expect to continue to incur losses unless and until such time as one of our properties enters into commercial production and generates sufficient revenues to fund continuing operations. We recognize that if we are unable to generate significant revenues from mining operations and dispositions of our properties, we will not be able to earn profits or continue operations. At this early stage of our operation, we also expect to face the risks, uncertainties, expenses, and difficulties frequently encountered by companies at the start-up stage of their business development. We cannot be sure that we will be successful in addressing these risks and uncertainties and our failure to do so could have a materially adverse effect on our financial condition.

Risks Associated with Mining and Exploration

All of our properties are in the exploration stage. There is no assurance that we can establish the existence of any mineral reserve on any of our properties in commercially exploitable quantities. Until we can do so, we cannot earn any revenues from these properties, and if we do not do so, and are unable to joint venture or sell the properties, we will lose all of the funds that we expend on exploration. If we do not discover any mineral reserve in a commercially exploitable quantity, our business could fail.

We have not established that any of our mineral properties contain any mineral reserves according to recognized reserve guidelines, nor can there be any assurance that we will be able to do so. A mineral reserve is defined by the SEC in its Regulation S-K subpart 1300 as that part of a mineral deposit, which could be economically and legally extracted or produced at the time of

the reserve determination. The probability of an individual prospect ever having a "reserve" that meets the requirements of the SEC's Regulation S-K subpart 1300 is remote. Even if we do eventually discover a mineral reserve on one or more of our properties, there can be no assurance that they can be developed into producing mines to extract those minerals. Both mineral exploration and development involve a high degree of risk, and few properties that are explored are ultimately developed into producing mines.

The commercial viability of an established mineral deposit will depend on a number of factors including, by way of example, the size, grade, and other attributes of the mineral deposit, the proximity of the mineral deposit to infrastructure such as a smelter, roads, a point for shipping, government regulation, and market prices. Most of these factors will be beyond our control, and any of them could increase costs and make extraction of any identified mineral deposit unprofitable.

Mineral operations are subject to applicable law and government regulation. Even if we discover a mineral reserve in a commercially exploitable quantity, these laws and regulations could restrict or prohibit the exploitation of that mineral reserve. If we cannot exploit any mineral reserve that we might discover on our properties, our business may fail.

Both mineral exploration and extraction require permits from various foreign, federal, state, provincial, and local governmental authorities and are governed by laws and regulations, including those with respect to prospecting, mine development, mineral production, transport, export, taxation, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, and other matters. Regarding our future ground disturbing activity on federal land, we will be required to obtain a permit from the US Forest Service or the Bureau of Land Management prior to commencing exploration. There can be no assurance that we will be able to obtain or maintain any of the permits required for the continued exploration of our mineral properties or for the construction and operation of a mine on our properties at economically viable costs. If we cannot accomplish these objectives, our business could face difficulty and/or fail.

We believe that we are in compliance with all material laws and regulations that currently apply to our activities, but there can be no assurance that we can continue to do so. Current laws and regulations could be amended, and we might not be able to comply with them, as amended. Further, there can be no assurance that we will be able to obtain or maintain all permits necessary for our future operations, or that we will be able to obtain them on reasonable terms. To the extent such approvals are required and are not obtained, we may be delayed or prohibited from proceeding with planned exploration or development of our mineral properties.

Environmental hazards unknown to us, which have been caused by previous or existing owners or operators of the properties, may exist on the properties in which we hold an interest. In past years, we have been engaged in exploration in northern Idaho, which is currently the site of a Federal Superfund cleanup project. Although we are no longer involved in this or other areas at present, it is possible that environmental cleanup or other environmental restoration procedures could remain to be completed or mandated by law, causing unpredictable and unexpected liabilities to arise. At the date of this Annual Report, we are not aware of any environmental issues or litigation relating to any of our current or former properties.

Future legislation and administrative changes to the mining laws could prevent us from exploring our properties.

New state and U.S. federal laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations, could have a material adverse impact on our ability to conduct exploration and mining activities. Any change in the regulatory structure making it more expensive to engage in mining activities could cause us to cease operations.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on our business.

A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on us, our venture partners, and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting, and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact our ability to compete with companies situated in areas not subject to such limitations. Given the political significance and uncertainty around the impact of climate change and how it should be dealt with, we cannot predict how legislation and regulation will affect our financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by us or other companies in our industry could harm our reputation. The potential physical impacts of climate change on our operations are highly uncertain and would be particular to the geographic circumstances in areas in which we operate. These may include changes in rainfall and storm patterns

and intensities, water shortages, changing sea levels, and changing temperatures. These impacts may adversely impact the cost, production, and financial performance of our operations.

If we establish the existence of a mineral reserve on any of our properties in a commercially exploitable quantity, we will require additional capital in order to develop the property into a producing mine. If we cannot raise this additional capital, we will not be able to exploit the reserve, and our business could fail.

If we do discover mineral reserves in commercially exploitable quantities on any of our properties, we will be required to expend substantial sums of money to establish the extent of the reserve, develop processes to extract it, and develop extraction and processing facilities and infrastructure. There can be no assurance that a mineral reserve will be large enough to justify commercial operations, nor can there be any assurance that we will be able to raise the funds required for development on a timely basis. If we cannot raise the necessary capital or complete the necessary facilities and infrastructure, our business may fail.

Land reclamation requirements for our properties may be burdensome and expensive.

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long-term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and re-establish pre-disturbance landforms and vegetation.

In order to carry out reclamation obligations imposed on us in connection with our potential development activities, we must allocate financial resources that might otherwise be spent on further exploration and development programs. We plan to set up a provision for our reclamation obligations on our properties, as appropriate, but this provision may not be adequate. If we are required to carry out unanticipated reclamation work, our financial position could be adversely affected.

Mining exploration and development are inherently hazardous and subject to conditions or events beyond our control, which could have a material adverse effect on our business and plans.

Mining and mineral exploration involves various types of risks and hazards, including:

- environmental hazards;
- power outages;
- metallurgical and other processing problems;
- unusual or unexpected geological formations;
- personal injury, flooding, fire, explosions, cave-ins, landslides, and rock-bursts;
- inability to obtain suitable or adequate machinery, equipment, or labor;
- metals losses;
- fluctuations in exploration, development, and production costs;
- labor disputes;
- unanticipated variations in grade;
- mechanical equipment failure; and
- periodic interruptions due to inclement or hazardous weather conditions.

These risks could result in damage to, or destruction of, mineral properties, production facilities, or other properties, personal injury, environmental damage, delays in mining, increased production costs, monetary losses, and possible legal liability.

Mineral exploration and development is subject to extraordinary operating risks. We do not currently insure against these risks. In the event of a cave-in or similar occurrence, our liability may exceed our resources, which would have an adverse impact on our Company.

Mineral exploration, development, and production involve many risks, which even a combination of experience, knowledge, and careful evaluation may not be able to overcome. Our operations will be subject to all the hazards and risks inherent in the exploration, development and production of minerals, including liability for pollution, cave-ins or similar hazards against which we cannot insure or against which we may elect not to insure. Any such event could result in work stoppages and damage to property, including damage to the environment. We do not currently maintain any insurance coverage against these operating hazards. The payment of any liabilities that arise from any such occurrence could have a material adverse impact on our Company.

Increased costs could affect our financial condition.

We anticipate that costs at our projects that we may explore or develop will frequently be subject to variation from one year to the next due to a number of factors, such as changing ore grade, metallurgy, and revisions to mine plans, if any, in response to the physical shape and location of the ore body. In addition, costs are affected by the price of commodities such as fuel, rubber, and electricity. Such commodities are at times subject to volatile price movements, including increases that could make production at certain operations less profitable. A material increase in costs at any significant location could have a significant effect on our profitability.

A shortage of equipment and supplies could adversely affect our ability to operate our business.

We are dependent on various supplies and equipment to carry out our mining exploration and, if warranted, development operations. Any shortage of such supplies, equipment, and parts could have a material adverse effect on our ability to carry out our operations and, therefore, limit or increase the cost of production.

Estimates of mineralized material are subject to evaluation uncertainties that could result in project failure.

Our exploration and future mining operations, if any, are and would be faced with risks associated with being able to accurately predict the quantity and quality of mineralized material within the earth using statistical sampling techniques. Estimates of any mineralized material on any of our properties would be made using samples obtained from appropriately placed trenches, test pits, and underground workings and intelligently designed drilling. There is an inherent variability of assays between check and duplicate samples taken adjacent to each other and between sampling points that cannot be reasonably eliminated. Additionally, there also may be unknown geologic details that have not been identified or correctly appreciated at the current level of accumulated knowledge about our properties. This could result in uncertainties that cannot be reasonably eliminated from the process of estimating mineralized material. If these estimates were to prove to be unreliable, we could implement an exploitation plan that may not lead to commercially viable operations in the future.

Mineral prices are subject to dramatic and unpredictable fluctuations.

We expect to derive revenues, if any, from the eventual extraction and sale of precious metals such as gold and silver. The price of those commodities has fluctuated widely in recent years, and is affected by numerous factors beyond our control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments, and improved extraction and production methods. The effect of these factors on the price of precious metals, and, therefore, the economic viability of any of our exploration projects, cannot accurately be predicted.

The mining industry is highly competitive and there is no assurance that we will continue to be successful in acquiring mineral claims. If we cannot continue to acquire properties to explore for mineralized material, we may be required to reduce or cease exploration activity and/or operations.

The mineral exploration, development, and production industry is largely fragmented. We compete with other exploration companies looking for mineral properties and the minerals that can be produced from them. While we compete with other exploration companies in the effort to locate and license mineral properties, we do not compete with them for the removal or sales of mineral products from our properties if we should eventually discover the presence of them in quantities sufficient to make production economically feasible. Readily available markets exist worldwide for the sale of gold and other mineral products. Therefore, we will likely be able to sell any gold or mineral products that we identify and produce.

There are hundreds of public and private companies that are actively engaged in mineral exploration. A representative sample of exploration companies that are similar to us in size, financial resources, and primary objective include such publicly traded mineral exploration companies as Allegiant Gold Ltd. (AUAU.V), NuLegacy Gold Corp (NUG.V), Comstock Mining Inc. (LODE), Viva Gold Corp (VAUCF), Nevgold Corp (NAUFF), Ridgeline Minerals Corp (RDGMF) and Summa Silver Corp (SSVR).

Many of our competitors have greater financial resources and technical facilities. Accordingly, we will attempt to compete primarily through the knowledge and experience of our management. This competition could adversely affect our ability to acquire suitable prospects for exploration in the future. Accordingly, there can be no assurance that we will acquire any interest in additional mineral properties that might yield reserves or result in commercial mining operations.

Third parties may challenge our rights to our mineral properties, or the agreements that permit us to explore our properties may expire, if we fail to timely renew them and pay the required fees.

In connection with the acquisition of our mineral properties, we sometimes conduct only limited reviews of title and related matters and obtain certain representations regarding ownership. These limited reviews do not necessarily preclude third parties from challenging our title and, furthermore, our title may be challenged as defective. Consequently, there can be no assurance that we hold good and marketable title to all of our mining concessions and mining claims. If any of our concessions or claims were challenged, we could incur significant costs and lose valuable time in defending such a challenge. These costs or an adverse ruling with regards to any challenge of our titles could have a material adverse effect on our financial position or results of operations. There can be no assurance that any such disputes or challenges will be resolved in our favor.

We are not aware of challenges to the location or area of any of our mining claims. There is, however, no guarantee that title to the claims will not be challenged or impugned in the future.

Acquisitions and integration issues may expose us to risks.

Our business strategy includes making targeted acquisitions. Any acquisition that we make may be of a significant size, may change the scale of our business and operations, and may expose us to new geographic, political, operating, financial, and geological risks. Our success in our acquisition activities depends on our ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition and integrate the acquired operations successfully with our own. Any acquisitions would be accompanied by risks. For example, there may be significant decreases in commodity prices after we have committed to complete the transaction and have established the purchase price or exchange ratio; a potential mineralized property may prove to be below expectations; we may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt our ongoing business and our relationships with employees, customers, suppliers, and contractors; and the acquired business or assets may have unknown liabilities which may be significant. If we choose to use equity securities as consideration for such an acquisition, existing shareholders may suffer dilution. Alternatively, we may choose to finance any such acquisition with our existing resources. There can be no assurance that we would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Joint ventures and other partnerships in relation to our properties may expose us to risks.

We have in the past, and may in the future, entered into joint ventures or other partnership arrangements with other parties in relation to the exploration, development, and production of certain of the properties in which we have an interest. Joint ventures can often require unanimous approval of the parties to the joint venture or their representatives for certain fundamental decisions such as an increase or reduction of registered capital, merger, division, dissolution, amendments of constating documents, and the pledge of joint venture assets, which means that each joint venture party may have a veto right with respect to such decisions which could lead to a deadlock in the operations of the joint venture or partnership. Further, we may be unable to exert control over strategic decisions made in respect of such properties. Any failure of such other companies to meet their obligations to us or to third parties, or any disputes with respect to the parties' respective rights and obligations, could have a material adverse effect on the joint ventures or their properties and, therefore, could have a material adverse effect on our results of operations, financial performance, cash flows, and the price of our common stock.

Risks Related to Our Company

Minimal staffing may be reasonably likely to materially affect the Company's internal control over financial reporting

With a very limited staff, it is difficult to maintain appropriate segregation of duties in the initiating and recording of transactions, thereby creating a segregation of duties weakness. Due to the significance of segregation of duties to the preparation of reliable financial statements, this weakness may result in more than a remote likelihood that a material misstatement or lack of disclosure within the annual or interim financial statements not be prevented or detected.

Conflicts of Interest

Certain of our officers and directors may be or become associated with other businesses, including natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. Our directors are required by Delaware's General Corporation Law to act honestly and in good faith with a view to our best interests and to disclose any interest which they may have in any of our projects or opportunities. In general, if a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter or, if he does vote, his vote will not be counted.

We have not adopted any separate formal corporate policy regarding conflicts of interest; however, other corporate governance measures have been adopted, such as creating a directors' audit committee requiring independent directors. Additionally, our Code of Ethics does address areas of possible conflicts of interest. As of the date of filing of this report, we had two independent directors on our board of directors (Leigh Freeman and Pamela Saxton). We have formed three committees to ensure our legal compliance. We established an independent audit committee consisting of two independent directors, both of whom were determined to be "financially literate" and one of whom was designated as the "financial expert." We also formed a compensation committee comprised entirely of independent directors and a corporate governance and nominating committee, the majority of which is comprised of independent directors. At this time, we feel that these committees and our Code of Ethics provide sufficient corporate governance for our purposes.

Dependence on Key Management Employees and Contractors

Our ability to continue our exploration and development activities and to develop a competitive edge in the marketplace depends, in large part, on our ability to attract and maintain qualified key management personnel. Competition for such personnel is intense, and there can be no assurance that we will be able to attract and retain such personnel. Our development now and in the future will depend on the efforts of key management figures such as Patrick Highsmith, Steven Osterberg, and Ted Sharp. The loss of any of these key people could have a material adverse effect on our business. In this regard, we have attempted to reduce the risk associated with the loss of key personnel and have obtained directors and officers insurance coverage. In addition, our shareholders have approved our 2015 Stock and Incentive Plan and 2018 Incentive Plan so that we can provide incentives for our key personnel.

We may not realize the benefits of Eureka, Paiute, Seven Troughs and other acquired growth projects.

As part of our strategy, we will continue existing efforts and initiate new efforts to develop gold and other mineral properties. We have three such project areas, including Eureka, Paiute and Seven Troughs. A number of risks and uncertainties are associated with the development of these types of projects, including political, regulatory, design, construction, labor, operating, technical and technological risks, and uncertainties relating to capital and other costs and financing risks. The failure to successfully develop any of these initiatives could have a material adverse effect on our financial position and results of operations.

As part of our business model, we pursue a strategy that may cause us to expend significant resources exploring properties that may not become revenue-producing sites.

Part of our business model is to pursue a strategy which includes significant exploration activities, such as proposed exploration and, if warranted, development at the Eureka, Paiute, and the Seven Troughs Projects. Because of the nature of exploration for precious metals, a property's exploration potential is not known until a significant amount of geologic information has been generated. We may spend significant resources exploring and developing the projects and gathering certain geologic information only to determine that the project is not capable of being a revenue-producing property for us.

Our business is subject to evolving corporate governance and public disclosure regulations that have increased both our compliance costs and the risk of noncompliance, which could have an adverse effect on our stock price.

We are subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the SEC, the Public Company Accounting Oversight Board ("PCAOB") and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity, and many new requirements have been created in response to laws enacted by Congress, making compliance more difficult and uncertain. For example, on July 21, 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") with increased disclosure obligations for public companies and mining companies in the United States. Our efforts to comply with the Dodd-Frank Act and other new regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of our management's time and attention from operating activities to compliance activities.

We are required to comply with Canadian securities regulations and are subject to additional regulatory scrutiny in Canada.

We are a "reporting issuer" in the Canadian provinces of British Columbia and Alberta. As a result, our disclosure outside the United States differs from the disclosure contained in our SEC filings. Our reserve and resource estimates disseminated outside the United States are not directly comparable to those made in filings subject to SEC reporting and disclosure requirements, as we generally report reserves and resources in accordance with Canadian practices. These practices are different from the practices used to report reserve and resource estimates in reports and other materials filed with the SEC. It is Canadian practice to report measured, indicated, and inferred resources, which are generally not permitted in disclosures filed with the SEC. In the United States, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. United States investors are cautioned not to assume that all or any part of measured or indicated resources will ever be converted into reserves. Further,

"inferred resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations; however, the SEC only permits issuers to report "resources" as in-place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization, reserves, and resources contained in disclosures released outside the United States may not be comparable to information made public by other United States companies subject to the reporting and disclosure requirements of the SEC.

We are also subject to increased regulatory scrutiny and costs associated with complying with securities legislation in Canada. For example, we are subject to civil liability for misrepresentations in written disclosure and oral statements. Legislation has been enacted in these provinces which creates a right of action for damages against a reporting issuer, its directors and certain of its officers in the event that the reporting issuer or a person with actual, implied, or apparent authority to act or speak on behalf of the reporting issuer releases a document or makes a public oral statement that contains a misrepresentation or the reporting issuer fails to make timely disclosure of a material change. We do not anticipate any particular regulation that would be difficult to comply with. However, failure to comply with regulations may result in civil awards, fines, penalties, and orders that could have an adverse effect on us.

Risks Associated with Our Common Stock

Our stock price has been volatile and your investment in our common stock could suffer a decline in value.

Our common stock is quoted on the OTCQB Market ("OTCQB") and traded on the TSX Venture Exchange ("TSX-V"). The market price of our common stock may fluctuate significantly in response to a number of factors, some of which are beyond our control. These factors include price fluctuations of precious metals, government regulations, disputes regarding mining claims, broad stock market fluctuations, and general economic conditions in the United States and Canada.

We do not intend to pay any dividends on shares of our common stock in the near future.

We do not currently anticipate declaring and paying dividends to our shareholders in the near future, and any future decision as to the payment of dividends will be at the discretion of our board of directors and will depend upon our earnings, financial position, capital requirements, plans for expansion, and such other factors as our board of directors deems relevant. It is our current intention to apply net earnings, if any, in the foreseeable future to finance the growth and development of our business.

Investors' interests in our Company will be diluted and investors may suffer dilution in their net book value per share, if we issue additional employee/director/consultant options or if we sell additional shares and/or warrants to finance our operations.

We have not generated material revenue from exploration since the commencement of our exploration stage in January 2004. In order to further expand our company and meet our objectives, any additional growth and/or expanded exploration activity may need to be financed through sale and issuance of additional shares, including, but not limited to, raising finances to explore our properties. Furthermore, to finance any acquisition activity, should that activity be properly approved, and depending on the outcome of our exploration programs, we may also need to issue additional shares to finance future acquisitions, growth and/or additional exploration programs at any or all of our projects or to acquire additional properties. We may also in the future grant to some or all of our directors, officers, insiders, and key employees options to purchase our common shares and stock unit awards as non-cash incentives. The issuance of any equity securities could, and the issuance of any additional shares will, cause our existing shareholders to experience dilution of their ownership interests.

If we issue additional shares or decide to enter into joint ventures with other parties in order to raise financing through the sale of equity securities, investors' interests in our Company will be diluted and investors may suffer dilution in their net book value per share depending on the price at which such securities are sold. As of September 30, 2023, there are also outstanding options and warrants granted that are exercisable into 17,898,522 common shares. If all of these options and warrants were exercised, the underlying shares would represent approximately 9.32% of our issued and outstanding shares. If all of these options and warrants are exercised and the underlying shares are issued, such issuance will cause a reduction in the proportionate ownership and voting power of all other shareholders. The dilution may result in a decline in the market price of our shares.

We are subject to the continued listing criteria of the TSX-V and our failure to satisfy these criteria may result in delisting of our shares of common stock.

Our shares of common stock are currently listed on the TSX-V. In order to maintain the listing, we must maintain certain share prices, financial, and share distribution targets, including maintaining a minimum amount of shareholders' equity and a minimum number of public shareholders. In addition to objective standards, the TSX-V may delist our securities if, in their discretionary

opinion: (i) our financial condition and/or operating results appear unsatisfactory; (ii) it appears that the extent of public distribution or the aggregate market value of the security has become so reduced as to make continued listing on TSX-V inadvisable; (iii) we sell or dispose of principal operating assets or cease to be an operating company; (iv) we fail to comply with the listing requirements of the TSX-V; (v) our shares of common stock sell at what the TSX-V considers a "low selling price" and if we fail to correct this via a reverse split of shares after notification by the TSX-V; or (vi) any other event occurs or any condition exists which makes continued listing on the TSX-V, in their opinion, inadvisable.

If the TSX-V delists our shares of common stock, investors may face material adverse consequences, including, but not limited to, a lack of trading market for our securities, reduced liquidity, decreased analyst coverage of our securities, and an inability for us to obtain additional financing to fund our operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

All staff comments have been addressed as of the date of filing of this report.

ITEM 2. DESCRIPTION OF PROPERTIES

We have acquired mineral prospects for exploration in Nevada mainly for target commodities of gold and silver, and formerly copper. The prospects are held by both patented and unpatented mining claims owned directly by us or through legal agreements conveying exploration and development rights to us. Most of our prospects have had a prior exploration history, which is typical in the mineral exploration industry. Most mineral prospects go through several rounds of exploration before an economic ore body is discovered, and prior work often eliminates targets or points to new ones. Also, prior operators may have explored under a completely different commodity price structure or technological regime. Mineralization which was uneconomic in the past may be ore grade at current market prices when extracted and processed with modern technology.

Nevada Gold Properties

The Company currently controls three mineral properties in Nevada including Eureka, Paiute, and Seven Troughs (Figure 1).

Eureka Project (Battle Mountain/Eureka Trend)

We acquired the Eureka Project as part of our acquisition of Staccato Gold Resources Ltd. ("Staccato Gold") and its wholly owned subsidiary, BH Minerals USA, Inc. ("BH Minerals"), in June 2010. Eureka comprises an area of 18,464 acres (~29 square miles) within the Battle Mountain – Eureka Mineral Trend. The property's northern boundary is located approximately 1 mile south of the town of Eureka, Nevada, in Eureka County (Figure 2).

Historical production of gold in the project area included approximately 112,000 oz at the Windfall Mine, which began operation in 1975 (Russell, 2005). An additional 17,700 oz of gold was produced from the Lookout Mountain Pit which operated in 1987 (Cargill, 1988, Jonson, 1991).

Property Description

The Eureka Project is situated in the southern part of the Eureka mining district, within T19N, R53E and unsurveyed T17N and T18N, and R53E (Figure 2). The property is also within the bounds of the United States Geological Survey (USGS) 1:24,000-scale 7.5-minute topographic series maps of the Pinto Summit and Spring Valley Summit quadrangles.

The property consists of 1,036 claims totaling 18,249 acres most of which are US Bureau of Land Management (BLM) unpatented claims with the remainder being patented (Table 1). Timberline pays federal and county claim maintenance fees on the Eureka Project. The federal claim fees are due to the BLM before September 1 of each year, and the county fees are due to Eureka County on November 1 of each year. All unpatented mining claims on the Eureka property have been located under the General Mining Laws of the United States on BLM managed lands.

Table of Contents

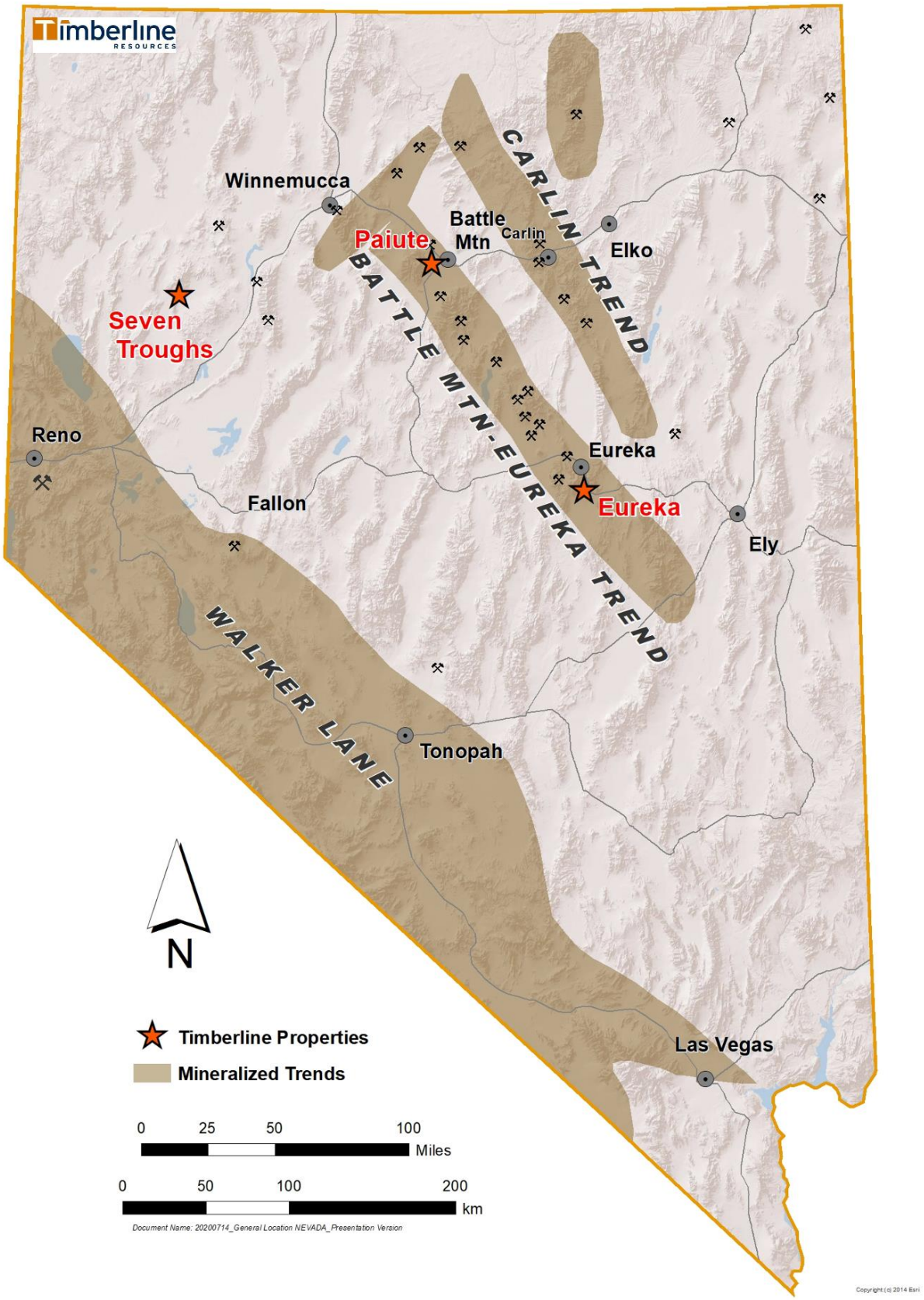

Figure 1. Timberline Project Locations

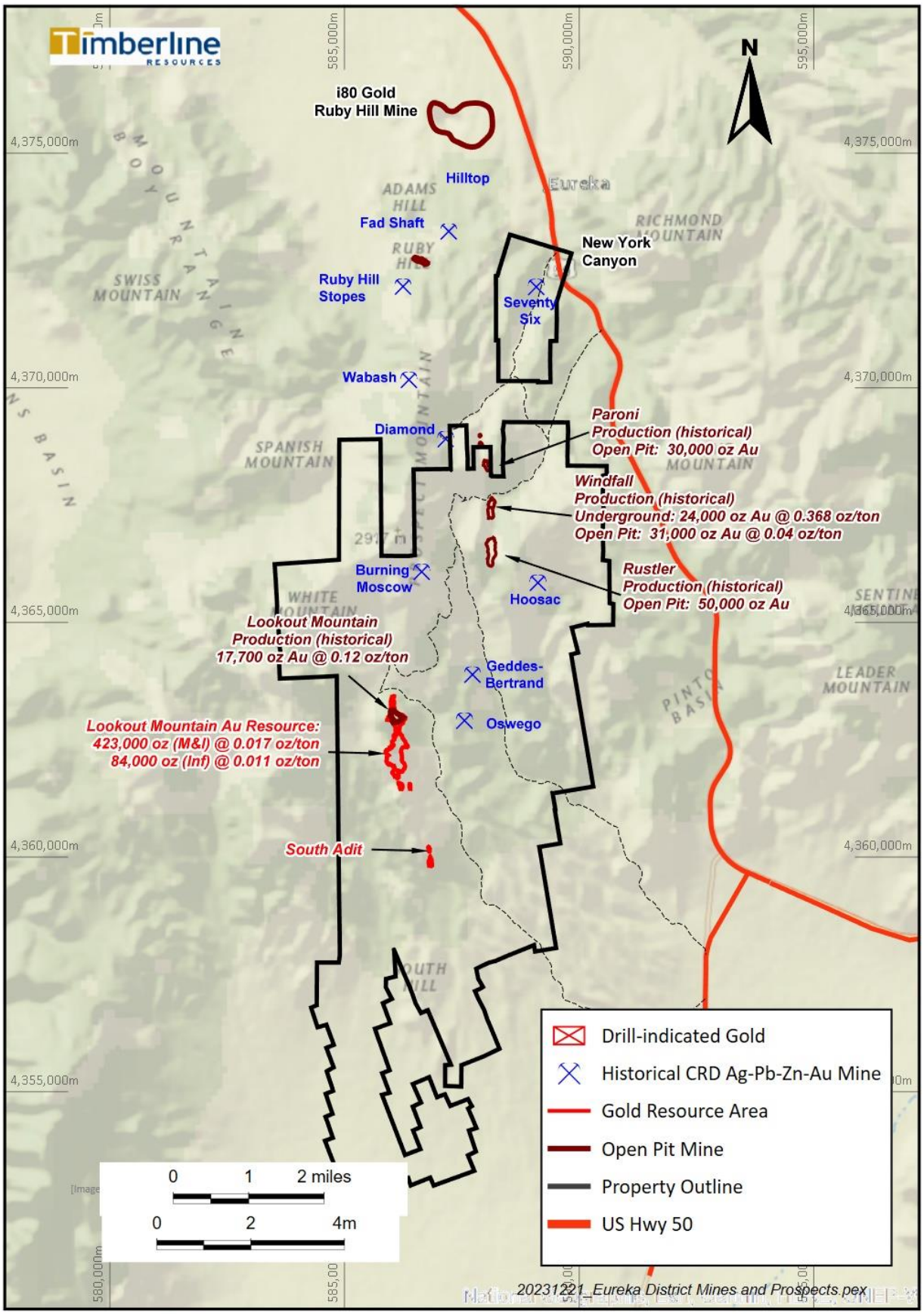

Figure 2. Timberline's Eureka Project Area

The following table summarizes the claims and royalties for the Eureka Project:

Table 1 - Eureka Project Claim and Royalty Summary

Property Name & Agreements/Royalties	Type of Claim	Number of Claims	Area
Lookout Mountain Mining lease and agreement dated August 22, 2003, and amended on June 1, 2008, between Timberline and Rocky Canyon Mining Company; 3.5% Net Smelter Return (NSR) royalty + 1.5% NSR royalty capped at $1.5 million (excludes Trevor and Dave claims); 20-year lease term commencing June 1, 2008; annual advanced royalty payment of $72,000.	Unpatented	373	6,368 acres
Trail Timberline holds title	Unpatented	30	620 acres
South Ratto Timberline holds title; 4% NSR	Unpatented	108	1,850 acres
Hoosac **North Amselco** 4% NSR	Unpatented	192	3,100 acres
Little Rosa (Hoosac royalty applies)	Patented	1	7 acres
Rambler (North Amselco royalty applies)	Patented	1	7 acres
TLRat Timberline holds title	Unpatented	5	72 acres
Silverado/TL 12 1%-3% NSR	Unpatented	47	947 acres
Secret Canyon/Oswego Timberline holds title. (Includes 2 mill sites on Syracuse 1 & 2) 0 – 3% NSR	Unpatented	111	1,488 acres
Secret Canyon 1% NSR	Patented	6	36 acres
Windfall Timberline holds title; 4% NSR	Patented	13	165 acres
New York Canyon Timberline holds title; 4% NSR	Unpatented	45	862 acres
New York Canyon **1.5% NSR**	Patented	11	67 acres
Q Claims Timberline holds title	Unpatented	104	2,149 acres
LS Claims	Unpatented	28	578
Total Unpatented Lode Claims		1,043	18,034 acres
Total Patented Lode Claims		32	282 acres
Grand Total of Claim Holdings		**1,075**	**1**8,316 **acres**

We have the right to explore and develop the Lookout Mountain target subject to a mining lease agreement dated August 22, 2003 with Rocky Canyon Mining. The lease was amended on June 1, 2008 to extend the term to 20 years from June 1, 2008, and thereafter for as long as minerals are mined on the project. Advance royalty payments are $6,000 per month, or $72,000 per year. Timberline fulfilled a $1.5 million work commitment on the Lookout Mountain target stemming from the amended lease agreement. A 3.5% NSR royalty, plus a 1.5% NSR royalty capped at $1.5 million (excludes Trevor and Dave claims) exists on the Lookout Mountain claims.

During the year ended September 30, 2012, Timberline acquired the Windfall patented claims in a transaction of cash and shares valued at $500,000. There is a 4% NSR royalty on these claims.

The Secret Canyon/Oswego, South Ratto, and New York Canyon claim groups are owned by Timberline, subject to royalty agreements. NSR royalties of 2% exist on the projects for claims located within one mile of the Windfall Patented claims. A small portion of the Heiro-Syracuse claim group is subject to an additional 1% NSR royalty. The NSR on the unpatented New York Canyon claims is 4%, while the NSR on the patented New York Canyon claims is 1.5%.

The Hoosac and North Amselco claims are owned by Timberline and were under lease to Royal Crescent Valley, LLC, a subsidiary of Royal Gold, Inc. until July 2021, at which time they terminated the lease. Until the termination of the lease in July 2021, Royal Gold maintained BLM lease payments and Eureka County fees on the Hoosac and North Amselco claim groups.

Accessibility, Physiography, Climate and Infrastructure

U.S. Highway 50 passes to the east of the Eureka Project and access is gained by heading south out of Eureka on the highway and connecting with unpaved local roads, some of which are periodically maintained by Eureka County (Figure 2). The turnoff for the New York Canyon claim group is about a half mile south of Eureka on U.S. Highway 50 and is an unpaved road running up New York Canyon on the east side of the claim group.

The Windfall group and the northern parts of the Hoosac and Lookout Mountain groups are accessed by the Windfall Canyon Road and its westward extension (the former haul road for the Lookout Mountain Mine), which turns southwest from the highway approximately 2 miles south of Eureka. This road is of uncommon quality and scale for rural Nevada due to its construction as a mine haul road at considerable cost in 1980s dollars.

The southern parts of the Eureka Project are accessed by traveling approximately 8 miles south of Eureka on U.S. Highway 50 to South Gate, then 1 mile south-southwest on the Fish Creek Valley Road to the unimproved Secret Canyon Road, then northwest to the southern part of the Hoosac claims. Many dirt tracks within the Eureka property allow additional access.

The terrain on the Eureka Project is rugged, with high ridges, steep canyons, and narrow valleys. Elevations range from 7,000 to 9,000 feet (2,100-2,400 m). Ridges show abundant bedrock exposures, slopes and valleys are typically covered by soil and alluvium. Sagebrush abounds in lower-elevation areas while juniper and piñon pine cover the higher elevations. Grasses and shrubs grow on the highest ridge tops. The climate of the project area is semi-arid with the area receiving moderate winter snows and occasional summer thunderstorms, with heavy rain from time to time during otherwise hot and dry summers. In winter, access is not maintained off the paved roads and November snow commonly lingers until April.

Summer temperatures usually consist of many consecutive days over 90º F (32.2º C), and temperatures can reach as high as 100º F (37.8° C) or more. Winter temperatures generally range from as cold as below 0º F (-17.8ºC) to, more commonly, in the 20º to 35ºF (-6.67º to 1.7 º C) range. Precipitation amounts vary from year to year, averaging about 10.0 inches (25.4 cm) for the area. Several feet of snow may accumulate on the property during the winter months.

The Eureka Project is situated in north-central Nevada in an area with established mining infrastructure. Transmission power lines serve Eureka from the north. All essential services such as food and lodging are available in Eureka, including dockage for shipments of heavy equipment. A small airport at Eureka is available for private air transport. Railroad access is also available in the area. The gold mines of north-central Nevada continue to produce a significant portion of the world's gold, and skilled miners and mining professionals are available in Eureka, and 100 miles to the north in Carlin, Elko, and Spring Creek. Permitting a mining operation in Nevada has been a process with which local, state, and federal regulators are very familiar and generally cooperative.

The reader should note that discussions in this document pertaining to assay results and concentrations of gold mineralization span many years and reporting standards have changed considerably over that time. References to historical reports of assay results or the grade (concentration) of gold mineralization may cite results in troy ounces of gold per short ton of rock, which will be abbreviated "opt". More recent gold assay or concentration data will be reported in this document as grams of gold per tonne (metric) of rock, which will be abbreviated "g/t". In most cases when discussing modern data, we make an effort to cite the unit conversion, which is on the basis of 1.00 opt = 34.286 g/t. We may also cite other historic work in the original US customary system of units, but modern work will be reported in metric units with conversions to US customary in most instances.

Table of Contents

Overview of Eureka Project Geology and Exploration

The Eureka Project includes Timberline's Lookout Mountain gold resource along with a pipeline of earlier-stage targets that feature past gold production, historic gold estimates, and/or drill-indicated gold mineralization. Timberline's discovery to-date at Lookout Mountain includes a gold resource estimate at Lookout Mountain (reported under SEC regulation S-K 1300 and Canadian National Instrument 43-101) and an associated, but separate, high-grade zone (Water Well Zone), and several other prospects with drill indicated gold mineralization.

Exploration interest in the area of Timberline's Eureka property began in the late 1800s as overflow from Eureka area prospecting and development of historic lead-zinc-silver±gold mines beginning in 1864 with discovery of mineralization in New York Canyon at what would become the Seventy-Six Mine, a patented claim now owned by Timberline (Figure 2). The first discovery of gold with no base metals was made in 1904 at Windfall. Mining subsequently occurred from the Windfall underground mine where approximately 24,000 oz was produced intermittently between 1909 and 1952. Silver was discovered south of Windfall with production of unknown scale from the Geddes-Bertrand mine around 1974-1975 and similarly gold and/or silver with lead from other lesser operations such as the Hoosac, Oswego, and Paige Corwin mines.

Geologic studies (King, 1878; Hague, 1883, 1892; Curtis, 1884; Walcott, 1884) began in the Eureka district approximately concurrent with the start of silver-lead mining by government geologists and formed the initial foundation for further exploration. Studies continued with the work of Nolan and others (1956), and Nolan and Hunt (1968). The district lies at the northern end of the Fish Creek Range and is underlain by a miles-thick sequence of Cambrian through Devonian sedimentary rocks that were affected by the Late Devonian to Early Mississippian Antler Orogeny (Figure 3). Tertiary volcanic rocks, and Mesozoic and Tertiary intrusions occur locally. Rocks as young as Permian were deformed and cut by thrust faults, which themselves were deformed into a series of north-trending folds by compression that continued into Cretaceous time. Basin-range normal faults subsequently formed the present mountains and valleys.

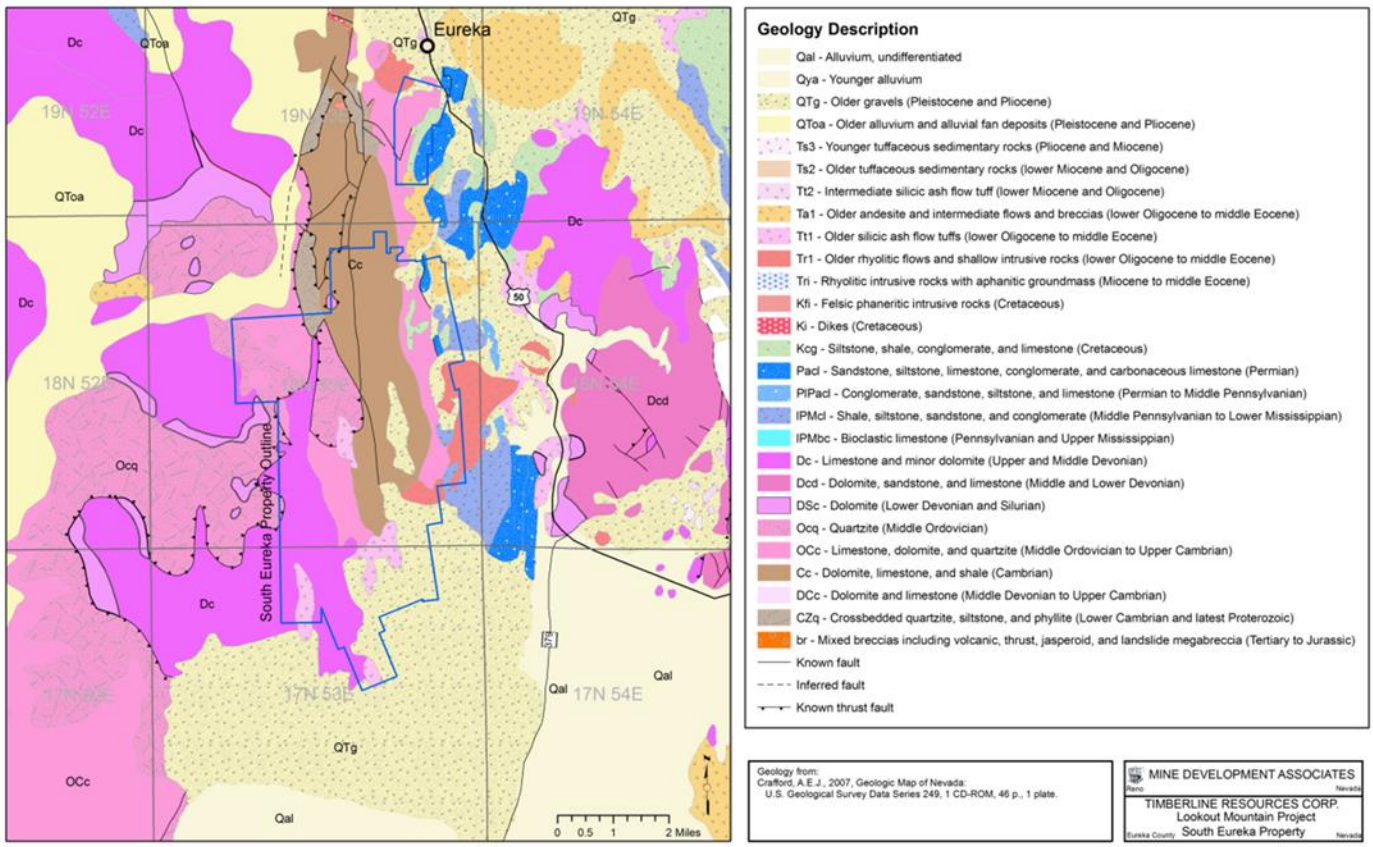

Figure 3. Geology of the Eureka District

The sedimentary rocks exposed in the district are made up of limestone, dolomite, and minor amounts of shale and quartzite which total 14,500 feet in thickness in the Eureka area. Cretaceous(?) pluton(s), as well as felsic dikes thought to be of Eocene age intrude the sedimentary rocks

The lower Paleozoic calcareous rocks in Timberline's project area are complexly folded and faulted as part of a Paleozoic thrust system that places Cambrian rocks on top of Ordovician and Silurian rocks (Nolan, 1962, Long et al., 2014), Hode et al., 2015).

East-trending compression formed large north-trending folds; a later, weaker episode of north-trending compression warped the north-south folds into one large anticline with an east-trending axial plane. Three principal sets of normal faults have been identified, striking northeast, northwest, and east-west, and there are also strike-slip faults that appear to be tear faults associated with the thrusting.

"Modern" exploration in the project area began in the early 1960s and led to discovery of low grade, near-surface gold at Windfall. The geologic elements of the discovery, including sedimentary rock-hosted disseminated gold with indistinct assay walls in oxidized rocks, became understood to be Carlin-type gold (CTG) mineralization. The mineralization at the Windfall mine was developed by open pit mining in three sites totaling approximately 110K oz of production from the Paroni, Windfall, and Rustler open pits between 1975 and approximately 1989. The success of these open pits and geologic studies triggered further exploration through the end of the century in the broader project area resulting in identification of several new targets along three north-to-south zones trends known as Windfall, Lookout, and Oswego, each of which is approximately 3 to 4 miles (4.8-6.5 km) in length (Figure 2).

Exploration in the Ratto Ridge area resulted in discovery of Windfall-like CTG gold mineralization at Lookout Mountain where approximately 18,000 oz was mined in the mid-late 1980s (Figure 2). In follow-up to the mining, several companies explored the property prior to Staccato Gold's work between 2003 and 2010. Exploration included extensive geologic mapping, ground magnetic surveys, property scale soil and rock sampling, and extensive drilling focused on expansion of the Lookout Mountain gold deposit. Timberline continued this exploration after their acquisition of Staccato Gold in 2010 with additional magnetics, a property scale gravity survey, IP grid surveys at Lookout Mountain and Windfall, and CSAMT surveys along with additional drilling most recently in 2022, and resource calculations. See below for further description of the property exploration results.

Timberline's primary exploration efforts to-date have focused on the discovery of CTG gold deposits such as that at Lookout Mountain and the historical Windfall Mine. Through evaluation of district data, our geologists also recognize potential for the discovery of silver-lead-zinc ± gold deposits of the intrusion-related polymetallic carbonate-replacement deposit (CRD) type, which are similar to those of the northern Eureka district. The CRD deposits in the Eureka district comprise massive to semi-massive deposits primarily of pyrite, galena, sphalerite with silver and significant amounts of gold hosted within dolomite. The Cambrian Eldorado Dolomite and Hamburg Dolomite formations are favorable hosts in the district. Timberline has advanced some of these targets during FY 2023.

2023 Lookout Mountain Gold Resource

SPECIAL NOTE TO READERS: Lookout Mountain is a material property as defined by Regulation S-K Subpart 1300 (S-K 1300) issued by the Security and Exchange Commission (SEC). All other properties described in this Annual Report are immaterial under S-K 1300.

During the 2023 fiscal year, RESPEC Company LLC completed a mineral resource estimate and an initial Technical Report Summary (TRS) for the Lookout Mountain gold deposit. The TRS and mineral resource disclosure is a requirement S-K 1300, which governs US mining projects. The updated mineral resource estimate is summarized in Table 2. The resource estimate has been constrained by optimized open pits utilizing revenue and cost inputs as summarized in the Notes to Table 2 below.

Table 2. Updated Lookout Mountain Project Gold Resources

Measured			Indicated			Measured & Indicated		
Tons	oz Au/ton	oz Au	Tons	oz Au/ton	oz Au	Tons	oz Au/ton	oz Au
2,555,000	0.036	93,000	23,267,000	0.014	330,000	25,819,000	0.017	423,000

Inferred		
Tons	oz Au/ton	oz Au
7,322,000	0.011	84,000

Notes:

- The Mineral Resources are comprised of oxidized model blocks that lie within optimized pits at a cutoff grade of 0.005 oz Au/ton plus unoxidized blocks within the optimized pits at a 0.055 oz Au/ton cutoff.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- The Mineral Resources are potentially amenable to open pit mining methods and are therefore constrained by optimized pits created using a gold price of US$1,800/oz, a throughput rate of 10,000 tons/day, assumed metallurgical recoveries of 80% for heap-leaching of oxidized materials and 86% for toll milling of unoxidized materials, a mining cost of US$2.50/ton, heap-

leaching processing cost of $3.60/ton, toll milling cost of $80.00/ton, general and administrative costs of $0.83/ton processed, a reclamation cost of $0.25/ton processed, refining cost of $3.00/oz Au produced, and an NSR royalty of 3.5%. This study does not constitute an Initial Assessment under S-K 1300.

- The effective date of the resource estimate is December 31, 2022.
- Rounding may result in apparent discrepancies between tons, grade, and contained metal content.
- Technical Report Summary is authored by Steven Osterberg, PhD, PG (Timberline's qualified person) and RESPEC Company LLC of Reno, Nevada

The S-K 1300 mineral resource estimate reflects our first limited economic analysis on the project. The TRS documents much work that has been accomplished over the last several years at Lookout Mountain, including initial metallurgical, environmental, and engineering studies. Advancing the deposit to pit-constrained resources has also identified opportunities for growth and optimization of the project towards economic viability. The recommendations from this study, as well as the exciting developments in the district, highlight the potential growth for both gold and silver at the Eureka Project.

The gold resources at the Lookout Mountain project were modeled and estimated by evaluating the drill data statistically, utilizing the geologic interpretations provided by Timberline to interpret mineral domains on cross sections spaced at 50- and 100-foot intervals, analyzing the modeled mineralization statistically to aid in the establishment of estimation parameters, and interpolating grades into a three-dimensional block model. Although geologic modeling and the early stages of drilling completed to-date at the Water Well Zone (WWZ), located east of and adjacent to the north end of the gold resource (Figure 4), suggest mineralization is related to that in the Lookout Mountain gold resource area, the low density of drilling precludes it from incorporation into the current resource model.

The resources reported by RESPEC are open along strike in both directions as well as down dip. The possible extension of the Lookout Mountain deposit south through to the South Adit resource (Figure 2), located approximately 3,500 feet south of the southern limit of the modeled mineralization at Lookout Mountain, provides the best opportunity for near-term enhancement of project resources. In addition, there is excellent potential to add to the existing resources that lie west of the Ratto Canyon fault at the Lookout Mountain deposit.

In November 2023 the Company released the updated mineral resource estimate (MRE) for the Lookout Mountain gold deposit under Canadian National Instrument (NI) 43-101, Companion Policy 43-101CP, and Form 43-101F1, which is a Canadian Securities Administrators' requirement for mining projects governing the disclosure of mineral reserves and resources. The updated MRE as reported under NI 43-101 is summarized in Table 2.

Timberline drilling northeast of the gold resource area has also intersected lead-zinc-silver mineralization that is consistent with CRD-type deposits. A large, induced polarization (IP) chargeability anomaly occupies the corridor adjacent to and below the known Carlin-type gold and CRD-type drill intercepts (see further discussion below). The IP anomaly has not been thoroughly drill-tested.

2023 Lookout Mountain Project Gold Exploration

The FY 2023 exploration program continued to focus primarily on exploration drilling in the WWZ (Figure 4) to test the extent of the gold mineralization at the contact between the Dunderberg and Hamburg formations (Figure 5). Three drill holes from the 2022 - 2023 drill program tested the southern end of the WWZ, constituting approximately 3,670 feet (1,119m) out of the 21,856 feet (6,662 m) program. The Company reported these results during early calendar year 2023. This drilling continued to confirm the consistent presence of gold mineralization at the key contact, but the results also encountered numerous faults that complicate the WWZ deposit – resulting in apparent gaps, as well as zones of enrichment, in the mineralization. Timberline geologists believe that recent drilling is within the footprint of a significant discovery at the Water Well Zone, and the best potential for expansion by surface drilling lies to the east (downdip) and south.

Assay highlights from the three FY 2023 drillholes in the southern WWZ are included below (using a cutoff grade of 0.3 g/t for gold):

- BHSE-225C: 29.0m at 1.06 grams per tonne (g/t) gold from 294.7m depth, including
  - 9.1m at 2.17 g/t gold from 305.4m depth; and
  - 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
  - 4.0m at 3.63 g/t gold from 308.5m depth;

Table of Contents

- 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
    - 7.6m at 1.3 g/t gold from 314.6m depth; and
    - 1.5m at 3.65 g/t gold from 314.6m depth.

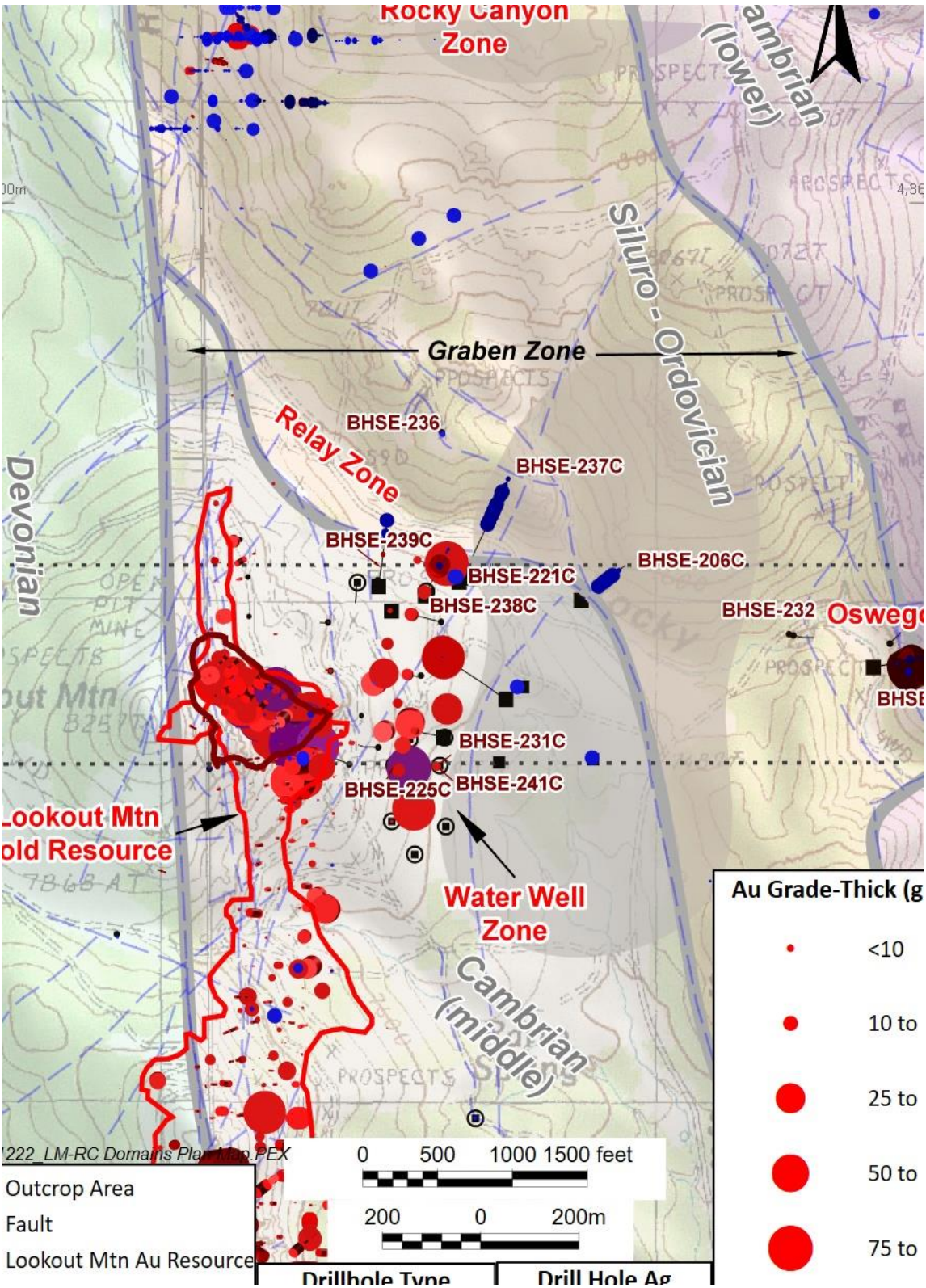

Figure 4. Plan View of Water Well Zone and Oswego Drilling

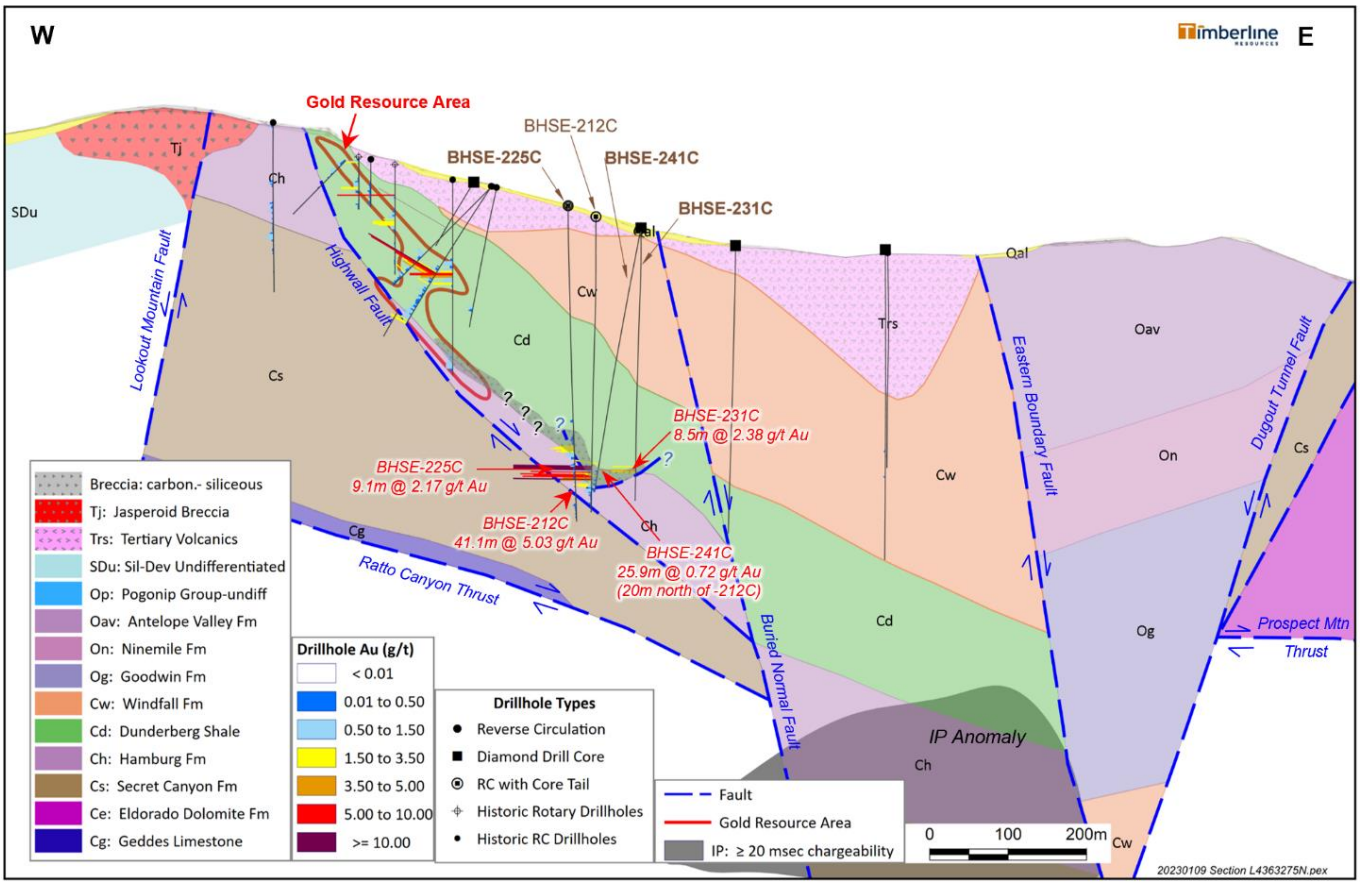

Figure 5 – Cross Section of Line 4363875N through the South WWZ with New Drilling

Additional exploration drilling completed early in FY 2023 tested the northern limits of the WWZ and its association with the Lookout Mountain gold resource (Figure 4). Four drillholes, constituting approximately 5,960 feet (1,817m) of the approximately 21,850 feet (6,662m) drill program, began in 2022 and finished in 2023.

Four drillholes in the northern WWZ encountered significant gold mineralization, while two holes intersected significant lead-zinc-silver, including drillhole BHSE-237C which cut more than 200m of strongly enriched silver. The drilling confirmed that the Carlin-type gold system continues across a major fault zone bounding the north of the WWZ and into younger Ordovician rocks. Lead-zinc-silver mineralization related to granitic intrusions is thought to be CRD-related. Assay highlights from the drilling include (using cutoff grades of 0.3 g/t for gold and 1.0 g/t for silver):

- BHSE-238C: 16.8m at 2.64 grams per tonne (g/t) gold from 178.9m depth, including
  - 4.6m at 4.45 g/t gold from 182.0m depth;
- BHSE-221C: 6.1m at 1.83 g/t gold from 332.8m depth, including
  - 1.5m at 3.59 g/t gold from 335.9m depth;
- BHSE-239C: 9.4m at 1.09 g/t gold from 194.5m depth;
- BHSE-239C: 6.1m at 1.33 g/t gold from 313.0m depth;
- BHSE-239C: 3.1m at 3.77 g/t gold from 439.5m depth;
- BHSE-221C: 35.1m at 10.1 g/t silver from 329.8m depth;
- BHSE-237C: 79.2m at 8.2 g/t silver from 297.8m depth; and
- BHSE-237C: 30.5m at 12.2 g/t silver from 393.8m depth.

The overlapping CTG gold and older CRD silver mineralization is becoming characteristic of the Eureka area, as is now in evidence at various places along more than 8 km of the trend from i80 Gold's Ruby Hill Mine in the north to the WWZ in the south (Figure 2).

2023 Exploration Permitting at Lookout Mountain

Permitting at Lookout Mountain was also advanced during 2023. Field activities such as exploration drilling are completed at Lookout Mountain under the provisions of an exploration Plan of Operations (PoO) initially approved by the BLM in 2010 and subject to annual Work Plan Amendments. In 2023, to support ongoing exploration, the Company's environmental consultant completed an updated cultural resources field review to avoid potential site-specific impacts caused by drill-activities. Field work by archeologists was completed in 2022 with follow-up analysis including review by the State Historic Preservation Office (SHPO) continuing into 2023. A final report was submitted to the BLM in July 2023. Based on the field review, the number and cumulative size of sites which will require additional site-specific screening and potential mitigation prior to completion of drilling activities has been reduced. Management does not consider the avoidance areas to be a significant impediment to planned exploration activities as they are typically small areas around which drill sites and access roads can be positioned.

2023 Priorities for District Exploration – Carlin-type Gold and Carbonate Replacement Deposits:

Ongoing analysis of district exploration data has defined three primary target areas for Timberline at Eureka: New York Canyon, Windfall Trend, and Lookout-WWZ-Oswego areas. These target areas, or sub-districts, include the potential for discovery of additional CTG and gold-bearing CRD deposits (Figure 6). The following is a discussion of recent work characterizing these targets.

2023 New York Canyon Target

During Q3/FY2023, the Company completed acquisition of additional fractional interests in 3 of 9 patented claims previously acquired at New York Canyon. At New York Canyon, rocks sampled from Ordovician Hanson Creek formation outcrops carry high-grade gold and silver (Figure 7). Selected rock samples collected on and around the patented claims yielded gold assays of 55, 32, 23.3, 22.5, and 14.95 g/t and silver assays of 750, 582.5, 558, 555, and 299 g/t. There are small historical mines and prospects over the area, which further highlight the prospectivity. However, this area remains undrilled because these patented claims have been held by private parties for many years and never consolidated by one company.

Mapping and sampling at New York Canyon have confirmed the presence of important northwest trending structures that seem to control high-grade rock samples and much of the historical mining in the area. Company geologists see the potential for the development of more mineralization along these structures, both near surface and at greater depth. There is also a major north-northeast striking concealed fault through New York Canyon that may be important in focusing mineralization. The Ordovician Pogonip group of rocks (shaded light blue on Figure 7) is dipping east beneath the area of anomalous rock samples. The Pogonip includes potentially important host rocks that may constitute strong silver-gold targets at depth.

Table of Contents

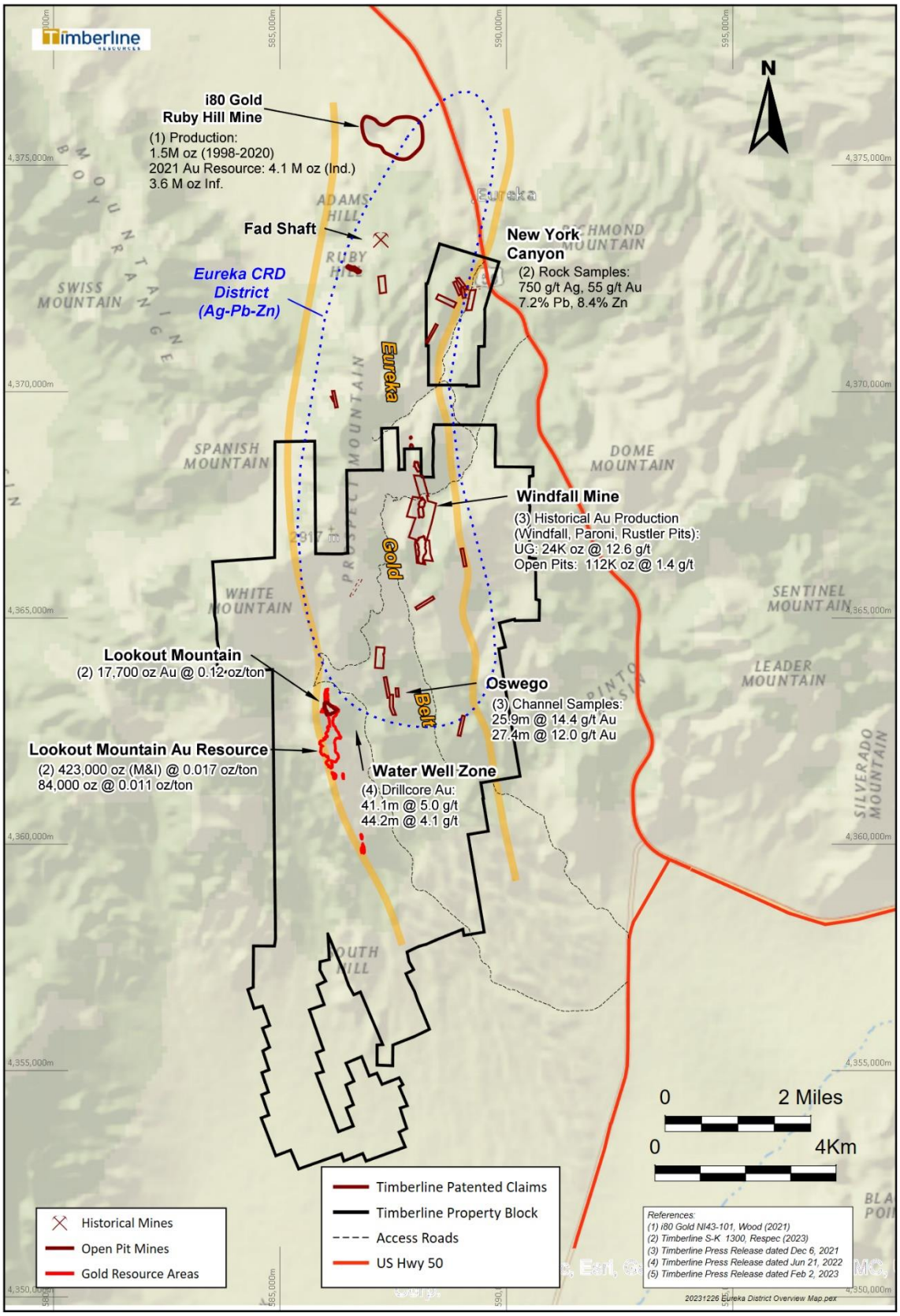

Figure 6. Timberline's Eureka Project Showing Major Targets and Patented Claims

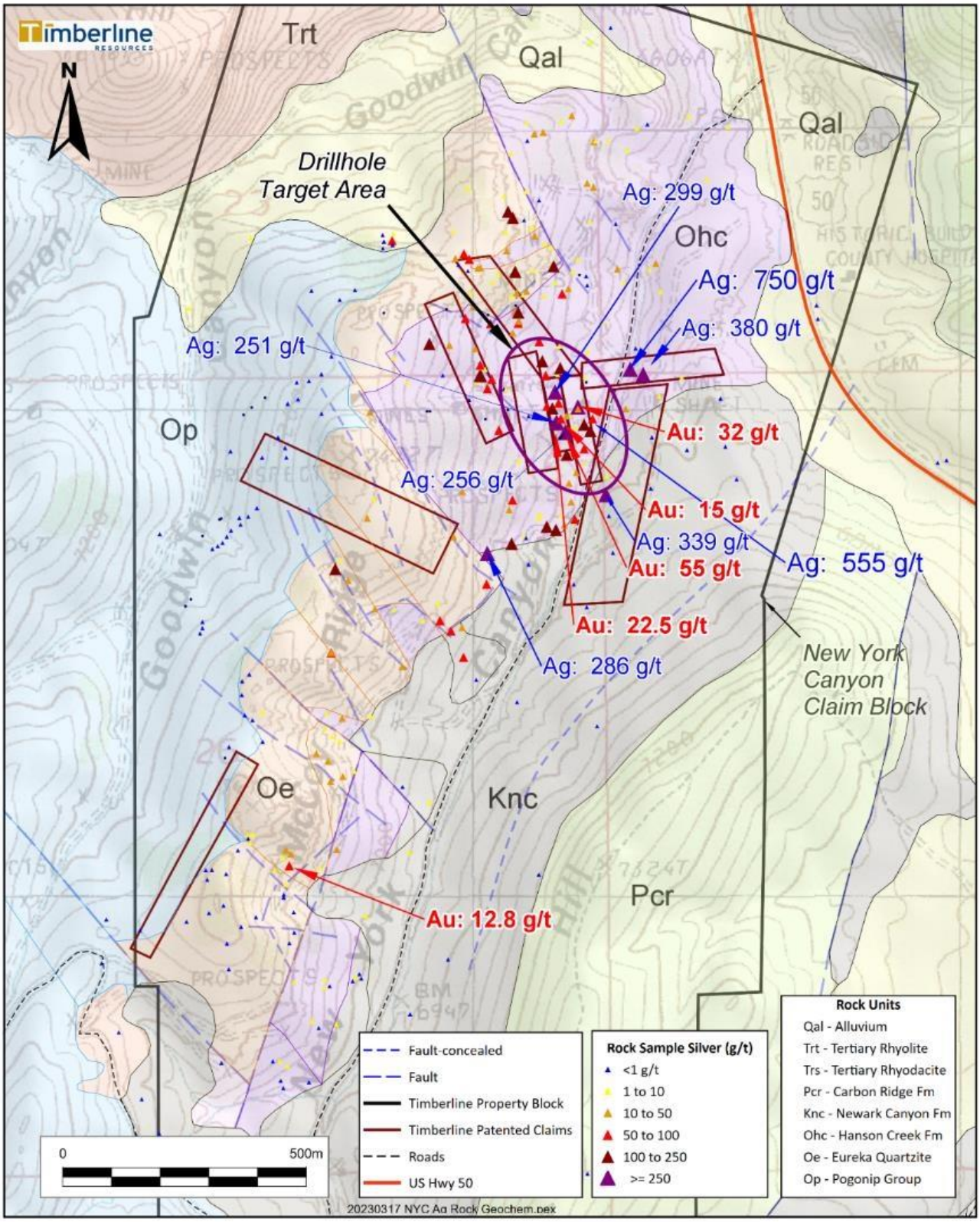

Figure 7. New York Canyon Geology and Silver-Gold Rock Geochemistry.

Windfall Trend: Hoosac, Windfall Mine Targets, and Prospect Mountain

Rock sampling and historical drilling from the vicinity of the Rustler, Windfall, and Paroni pits clearly indicates remaining potential for Carlin-type gold along the Windfall trend. Figure 8 shows numerous samples with more than 1.0 g/t gold, including one sample that assayed 43 g/t gold, and multiple drillholes with significant grade-thickness of gold, quantified as meters of drill intercept multiplied by gold assay (g/t) or gram-meters per ton of gold (abbreviated as g*m).

Anomalous CRD-type silver-gold occurs in the Windfall area east-southeast of the historical Rustler open pit gold mine (Figure 8). Silver and gold mineralization, including rock samples of 271 g/t Ag and 2.1 g/t Au, occurs along several hundred meters of strike of a Hoosac Trend structural corridor that parallels the Windfall Trend. Many of the samples are also enriched in base metals, including lead values of 6.1%. The Hoosac Trend also exhibits intense alteration (silicification) and strong IP chargeability anomalies. The historical Hoosac Mine occurs in this area; where samples from mine waste dumps identified gold up to 1.6 g/t and silver up to 96 g/t. Drilling to-date has not significantly tested this structural corridor or the related geophysical anomalies identified in the Hoosac Trend.

A second linear IP anomaly occurs west of the Windfall Trend along the east slope of Prospect Mountain (Figure 8). The strong East Slope anomaly is hosted within the Cambrian-aged Eldorado Dolomite adjacent to the Jackson Fault. This target is located in a favorable geologic setting for CRD mineralization that is directly analogous to historical mines such as the Diamond Mine and Fad Shaft to the north and the Burning Moscow occurrence to the south (Figure 2). There is considerable exploration work occurring along the apparent northern continuation of this IP feature, such as North Peak Resources at the historical Prospect Peak Mine Complex, and i80 Gold Corp. at the Hilltop and Blackjack targets near the Ruby Hill Mine.

Lookout Mountain to Oswego Area

The Lookout Mountain gold resource extends for approximately 1.1 miles (1,770 m) in a roughly north-south direction (Figure 9). The discovery history in the resource area has shown that when higher grades of gold cluster in drill holes, there are opportunities to offset along structural or lithologic targets and identify significant new mineralization. This model led to the discovery of the WWZ. Timberline geologists recognize there are additional untested or at least under-explored areas in immediate proximity to the defined gold resource. Several such areas, including South Lookout, Rocky Canyon, North Gap and Water Well East, are defined as priority target areas for additional gold discovery.

Several historical drillholes in the South Lookout target area offer encouragement that zones of thicker +1 g/t gold oxide mineralization may be more extensive than previously thought (Figure 9). An example from historical drilling was drillhole BHSE-096, which intercepted 61m of 1.54 g/t gold hosted primarily in oxidized Hamburg formation. This drillhole dated to approximately 2011, and it was included in the resource calculation, however, the drill spacing is wide in this area. This type of thicker higher-grade oxide mineralization may have a positive impact on the resource once better tested and defined.

There is very little drilling immediately north of the Lookout Resource in the North Gap Zone (Figure 9), perhaps because of previously defined cultural avoidance areas that have recently been reclassified, providing easier access. The Gap Zone is extensively faulted and surface rock exposures are intensely altered. Faulting also juxtaposes younger Siluro-Ordovician rocks against Cambrian strata, both of which known to be important hosts at the Ruby Hill Mine. There are also several widely spaced high-grade intercepts in the Rocky Canyon area that merit additional offset drilling to test Timberline's improved geologic model.

Timberline's 2021 and 2022 drilling to the east and down-dip of the resource (Figure 9) intercepted numerous significant intercepts in the WWZ of higher-grade gold (see Company news releases dated October 27, 2021, February 24, 2022, and March 9, 2022). The geologic model for the Lookout mineral system now clearly illustrates the presence of major faulting that both localizes higher grades of gold and offsets the rocks down to the east. The deeper high-grade sulfide Carlin-type mineralization in the WWZ remains open to the east and south. An area called Water Well East is associated with important faults in the area and a strong IP chargeability anomaly.

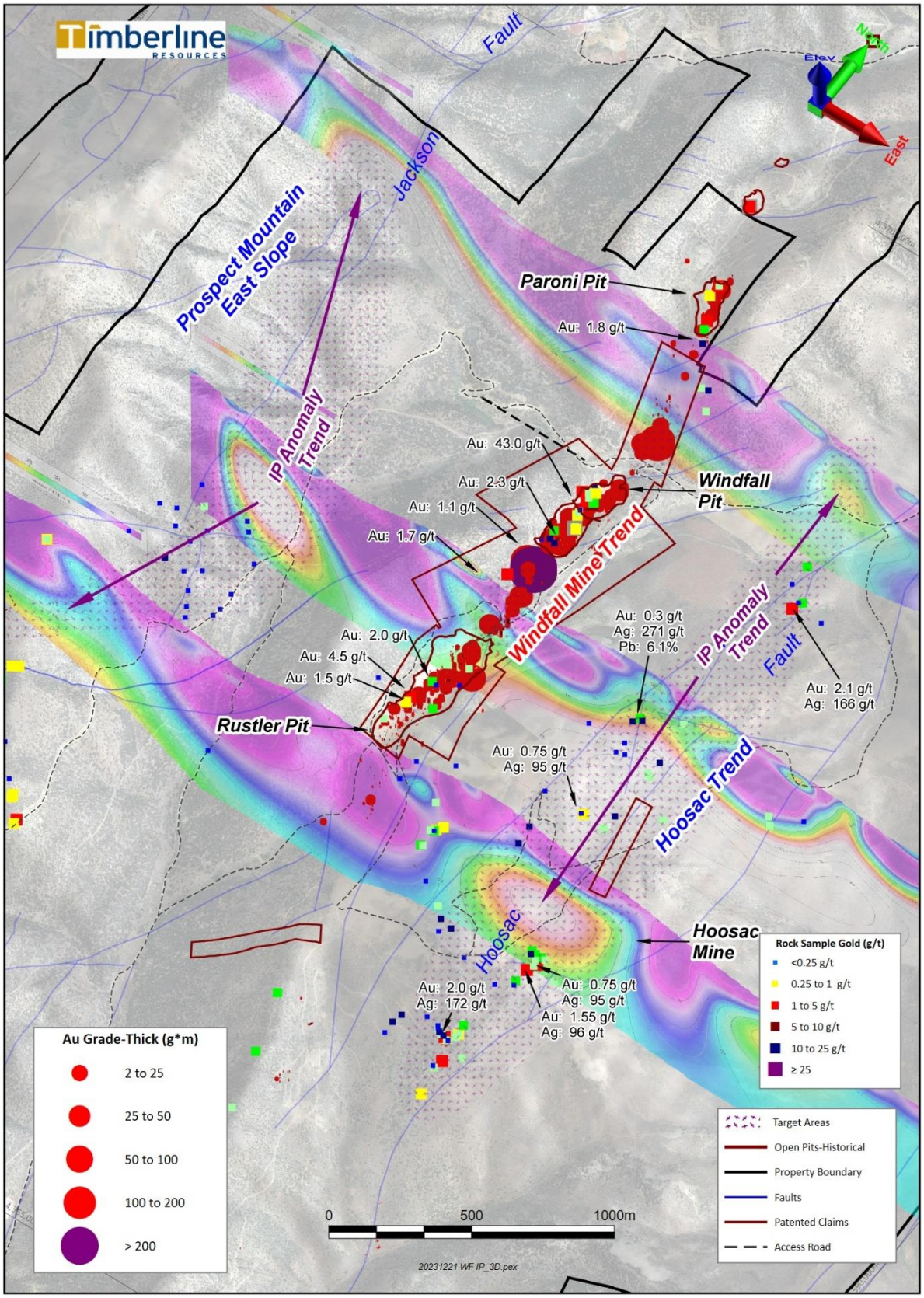

Figure 8. Perspective of the Windfall Trend Exploration Target Areas, Structures, and IP Anomalies

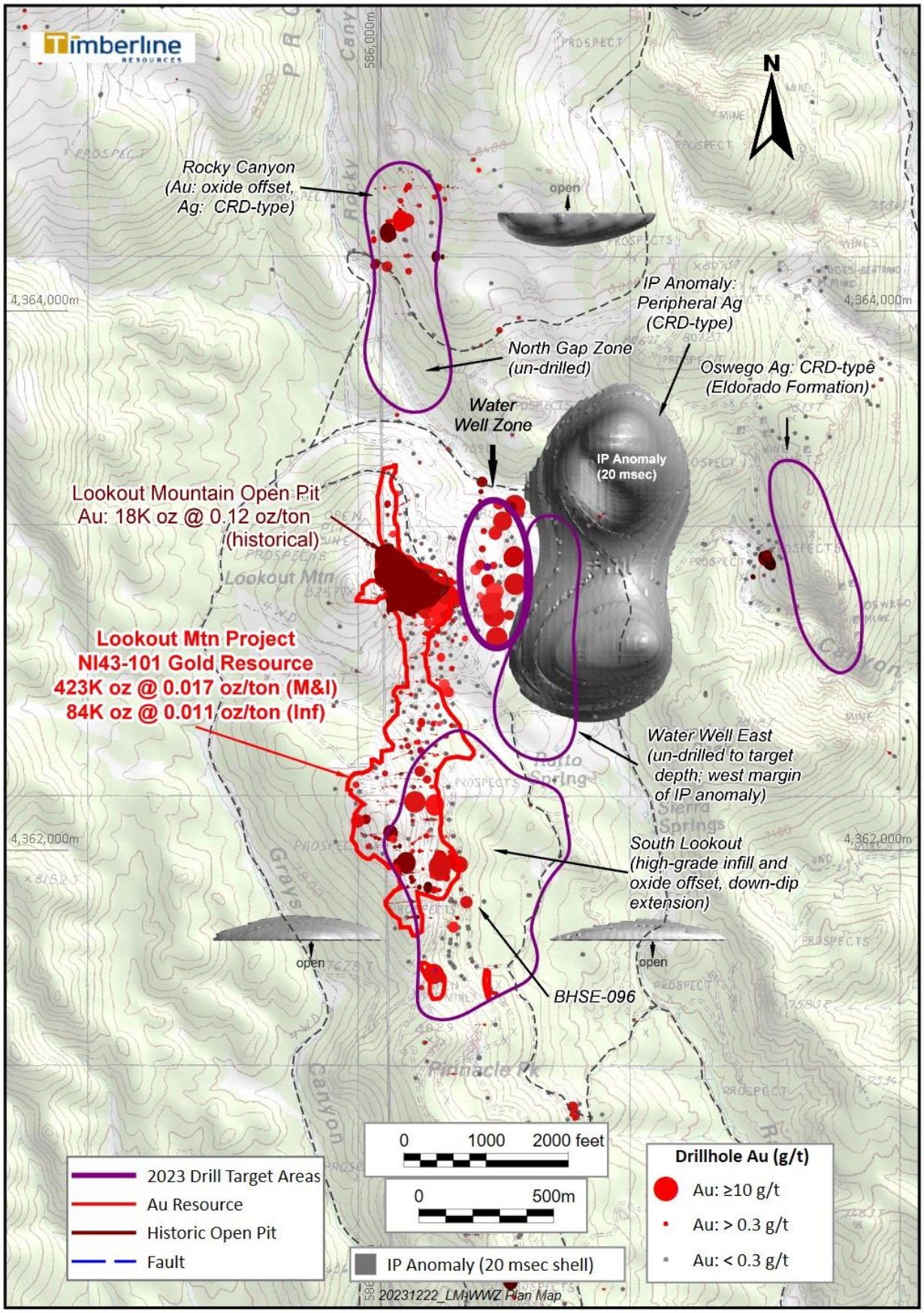

Figure 9. Lookout Mountain Resource Area and 2023 Drill Targets

The multielement geochemistry on this target is complex, including typical Carlin-type gold indicators (gold, arsenic, and thallium) and elements usually associated with CRD deposits (silver, lead, zinc, antimony, and bismuth). As reported elsewhere in the Eureka District, this could be the result of overlapping CRD silver-gold and Carlin-type gold. The nearby historical Oswego and Geddes-Bertrand Mines demonstrate even higher silver values (as high as 1,493 g/t) with strong peak values in lead (6.7%) and zinc (20%), including associated arsenic and antimony. There is insufficient drilling in this area to assess the potential for either Carlin-type gold or CRD silver-gold, and historical drilling in the area was typically shallow (less than 500 ft).

District Scale Analogies

I80 Gold Corporation continues to disclose significant gold and silver results from their ongoing exploration at the Ruby Hill Mine area and its numerous exploration targets (Figure 2) in similar stratigraphy and rock types as at Lookout Mountain. Our geologists do recognize the potential for similar discoveries at Lookout Mountain of multiple types of mineral deposits, including CRD-type lead-zinc-silver, and possibly skarn deposits. Three Timberline drill holes in 2021 and 2022, targeted peripheral to the strong IP anomaly, intersected likely CRD-related mineralization associated with granitic dikes and intensely altered contact-metamorphosed sedimentary rocks. The silver intercepts (Figure 10) included:

- 203m @ 5.3 g/t Ag, including 56.9m @ 12.2 g/t;
- 35m @ 10.1 g/t Ag; and
- 79.2m @ 8.2 g/t Ag and 30.5m @ 12.2 g/t Ag.

A strong IP chargeability anomaly (Figure 9) extends 1.3 km north-south and on-trend with similar anomalies to both north and south. While the geophysical target has only been peripherally tested, the occurrence of Carlin-type gold and CRD type silver intercepts in this area with multiple intersecting faults, granitic dikes, and hornfelsed and altered carbonate rocks compares favorably with the more advanced polymetallic discoveries being made at the Ruby Hill Mine in the northern part of the district.

A key element in the large and growing metal endowment in the northern part of the district seems to be the large-scale igneous complex in the area (Graveyard Flats, Ruby Hill, and Mineral Point intrusives). Timberline geologists are working to assess the intrusive rocks already encountered in the Lookout Mountain area, including conducting age dating. A preliminary interpretation of historical magnetic data (Figure 11) suggests that the Lookout Mountain area is underlain by a significant intrusive phase that may be similar to the Graveyard Flats intrusion at Ruby Hill. Much more work is needed to address this question, but early drill testing in the area has already encountered granitic dikes with associated silver at less than 1,000 feet depth. CRD-type and (possibly) skarn-type targets are apparent at Lookout Mountain and are being prepared for drilling at the earliest opportunity.

Summary of Modern Exploration by Timberline Resources: 2010-2022 (See below for pre-2010 historic summaries)

From 2010 through 2013, the exploration work programs totaled approximately $9,000,000 on the Eureka Project. The work during that period delivered sufficient data to support a mineral resource estimate at Lookout Mountain (including a technical report compliant with Canadian NI 43-101), conduct initial gold recovery studies, initiate environmental baseline investigations, better understand the controls of mineralization, and to outline additional exploration drill targets. In summary, these objectives were met in the 2010-2013 exploration by completion of the following:

- 16,675 feet (5,083 m) of core drilling focused primarily for metallurgical and geotechnical scoping studies;
- 46,965 feet (14,315 m) of RC drilling directed primarily at resource in-fill and definition drilling, and;
- Additional testing activities, including metallurgical test work on core samples, channel and mini-bulk sampling within the historical Lookout Mountain pit, identification of additional exploration targets beyond the Lookout Mountain Deposit area, and drilling and construction of additional groundwater monitoring wells.

An initial technical report entitled, *Technical Report on the Lookout Mountain Project, Eureka County, Nevada, USA,* compliant with NI 43-101 ("2011 Technical Report"), was completed on May 2, 2011. The Technical Report was prepared by Mine Development Associates (MDA) of Reno, Nevada under the supervision of Michael M. Gustin, Senior Geologist, who is a qualified person under NI 43-101. The Technical Report details mineralization at the Lookout Mountain Deposit. In addition, significant exploration potential was noted.

The non-pit-constrained mineral resource was modeled and estimated by MDA by statistical evaluation of available drill data utilizing geologic interpretations provided by Timberline. The geologic interpretations were used to constrain gold mineral domains on vertical cross sections spaced at 50- to 100-foot intervals across the extent of the Lookout Mountain mineralization. The cross sections were rectified to the mineral-domain interpretations on level plans spaced at 10-foot intervals, allowing the

geostatistical analysis of the modeled mineralization to aid in the establishment of estimation parameters, and interpolating grades into a three-dimensional block model.

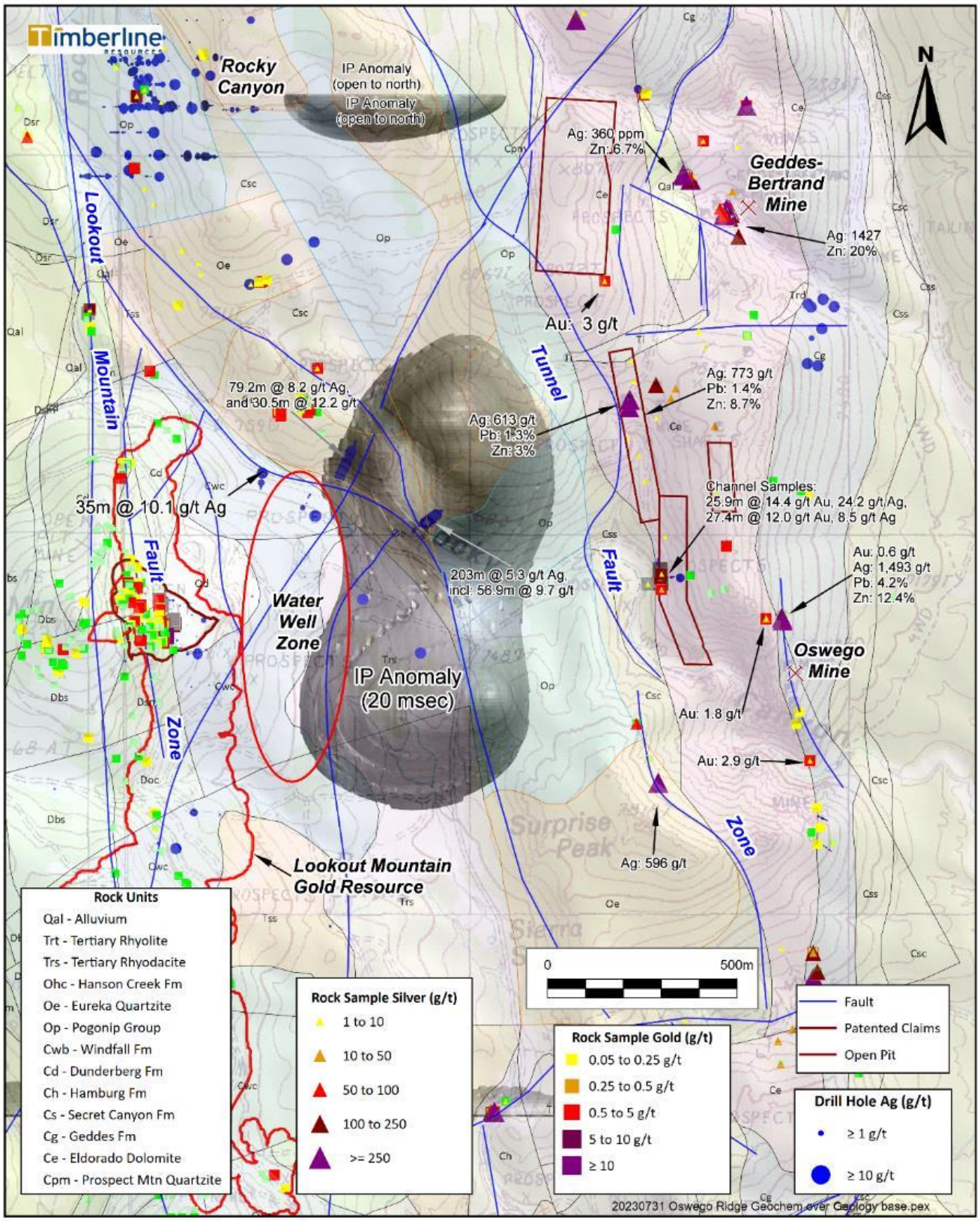

Figure 10. Lookout Mountain and Oswego Surface Rock Gold and Silver Geochemistry, and Drillhole Silver Intercepts

Table of Contents

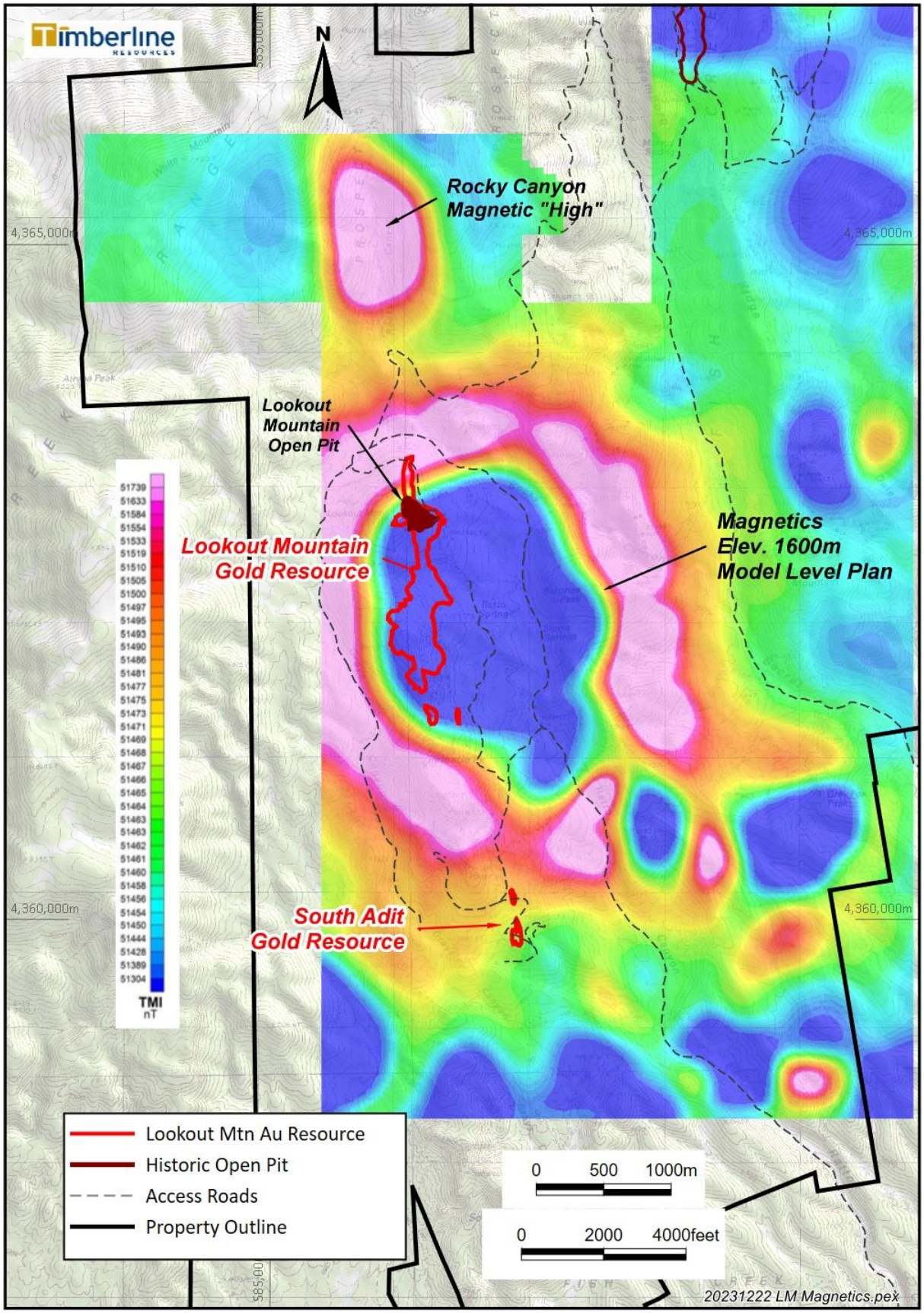

Figure 11. 1600m Level SCA Model Magnetic Plan Map of the Lookout Mountain Area

The final drill results of the 2011 exploration program were successfully incorporated into the updated mineral resource and NI 43-101 compliant *"Updated Technical Report on the Lookout Mountain Project, Eureka County, Nevada, USA"* issued by MDA on May 31, 2012 ("2012 Technical Report"). As a result of the 2011 exploration program, the mineralized zone at Lookout Mountain was successfully extended 600 feet (183m) to the south of the existing mineral deposit, and mineralization was also expanded along the west margin of the deposit. Results from Lookout Mountain, and from the South Adit area, significantly increased the reported mineralization at the Lookout Mountain Deposit.

Assay results from drilling during the 2012 and 2013 exploration program were incorporated into another update to the resource and NI 43-101 compliant *"Updated Technical Report on the Lookout Mountain Project, Eureka County, Nevada, USA"* issued by MDA on April 11, 2013 ("2013 Technical Report").

The Lookout Mountain Deposit is a large "Carlin-type" gold system with a defined gold resource (see 2013 Technical Report) and drill-indicated mineralization that extends over a north-to-south trend of approximately 3 miles (~ 5 km). The MDA gold resource estimate included 508,000 oz (Measured & Indicated) and 141,000 oz (Inferred) as summarized below (Table 3) at the noted cut-off grades.

Table 3. Lookout Mountain Gold Resource (1)(2)(3)(4)

Resource Category	Tons	Tonnes	Gold (opt)	Gold (g/t)		Gold Ounces
Measured	3,043,000	2,761,000	0.035	1.200		106,000
Indicated	25,897,000	23,493,000	0.016	0.549		402,000
Measured & Indicated	28,940,000	26,254,000	0.018	0.617		508,000
Inferred	11,709,000	10,622,000	0.012	0.411		141,000

Notes:

(1) 0.006 opt (0.21 g/t) cut-off applied to oxidized material to capture mineralization potentially available to open pit extraction and heap leach processing. 0.030 opt (1.03 g/t) cut-off applied to unoxidized material to capture mineralization potentially available to open pit extraction and lower heap leach recoveries or sulfide processing.
(2) Rounding may cause apparent discrepancies.
(3) The effective date of the Lookout Mountain updated gold resource is February 20, 2013.
The full MDA Resource Estimate with various cut-off grades can be seen at:
http://timberlineresources.co/wp-content/uploads/2015/07/LookoutMt_-43-101_2013.pdf.
(4) The 2013 Resource Estimate does not consider economic constraints.

Gold mineralization near the historical open pit at Lookout Mountain (Figure 12) includes multiple intercepts ranging from approximately 0.1 to 2.25 opt gold (3.4 to 77.14 g/t) (see Table 4 and news releases dated July 10, 2018 and Dec 1, 2020 at *http://timberlineresources.co/press-releases*). The mineralization is associated with extensive zones of fault breccias, collapse breccias, and with orpiment and realgar (arsenic sulfides) which are commonly found in major Carlin-type gold deposits.

Exploration activities at the Eureka Project, including Lookout Mountain, were curtailed during 2014 due to the limited availability of capital. In fiscal 2015, Timberline drilled three holes to the east of the Lookout Mountain resource and confirmed a 2012 partial drill intercept of higher-grade gold mineralization at depth in hole BHSE-152 (Figure 12). The geology in the hole stratigraphically correlates well with gold intercepts occurring up-dip in the resource area. The host rocks tend to be carbonaceous collapse breccias and jasperoid with pyrite (and sometimes arsenic sulfides) at the contact between the Cambrian-aged Dunderberg and Hamburg formations. The four intercepts are thought by Timberline geologists to be mineralogically consistent with higher-grade occurrences as recognized in deeper levels of many Carlin-type gold systems. One of the strongest intercepts from the 2015 drilling included 65 feet (19.8 m) @ 0.09 opt gold (3.09 g/t), including 25.2 feet (7.7 m) @ 0.146 opt gold (5.02 g/t) in BHSE-171 (Table 4). This new zone of higher-grade gold, downdip from the Lookout Mountain Resource, would become known as the WWZ.

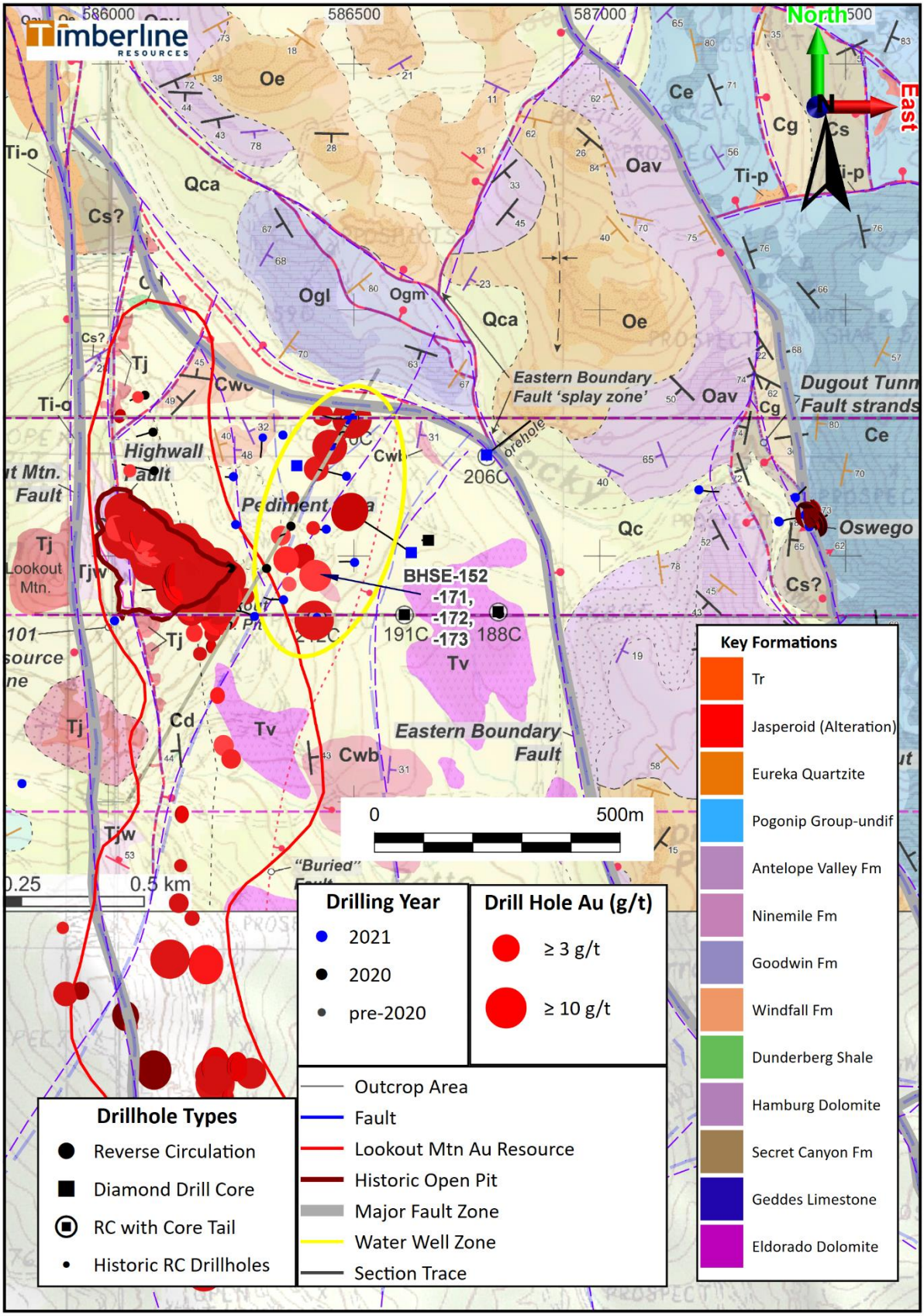

Figure 12. Lookout Mountain Geology and High-Grade Gold Zone Including Drilling through FY 2021

Table of Contents

Table 4. Representative High-Grade Gold Drill Intercepts through 2020 from the Lookout Mountain Resource Area

Drill Hole	From (meters)	To (meters)	Length (meters)[1]	Gold (g/t) [2]	Au GT (gram*meters)
BH05-01	82.3	102.1	19.8	11.79	233
including	83.8	91.4	7.6	21.98	167
BH05-03	58.8	59.8	1.0	76.80	77
BH06-02	135.7	143.9	8.2	12.40	102
BH06-07	123.8	151.8	28.0	7.44	208
BH06-10	0.0	15.2	15.2	18.40	280
BH06-13	45.1	46.0	0.9	50.30	45
BH06-13	117.4	124.9	7.5	9.51	71
BH06-16	0.0	10.0	10.0	12.90	129
BHSE-029C	119.2	136.9	17.7	12.00	212
BHSE-032	42.7	45.7	3.0	14.60	44
BHSE-034	41.2	42.7	1.5	15.80	24
BHSE-037C	67.7	68.0	0.3	27.80	8
BHSE-064	39.6	45.7	6.1	3.19	19
BHSE-066	25.9	30.5	4.6	4.95	23
BHSE-066	88.4	93.0	4.6	8.53	39
BHSE-067	51.8	56.4	4.6	3.63	17
BHSE-076	6.1	48.8	42.7	1.43	61
including	7.6	10.7	3.1	11.52	35
BHSE-096	32.0	94.5	62.5	1.48	92
including	36.6	45.7	9.1	3.73	34
BHSE-102	41.2	70.1	29.0	1.89	55
including	59.4	62.5	3.1	13.15	40
BHSE-104	33.5	86.9	53.3	1.18	63
including	67.1	73.2	6.1	12.19	74
BHSE-126C	9.5	14.1	4.6	33.10	152
BHSE-151C	152.7	163.6	10.9	3.63	40
Including	154.2	156.9	2.6	35.63	93
BHSE-176	21.3	36.6	15.2	10.09	154
BHSE-186	4.6	10.7	6.1	5.21	32
BR-1	10.7	22.9	12.2	14.50	177
BR-1	19.8	22.9	3.1	45.10	140
BR-19	10.7	13.7	3.0	12.70	38
BR-19	19.8	22.9	3.1	45.10	140
BR-19	67.1	71.7	4.6	11.10	51
BR-19	117.4	137.2	19.8	10.90	216
BR-26	134.2	140.2	6.0	11.10	67
EFL-4	29.0	30.5	1.5	9.30	14
EFL-5	0.0	1.5	1.5	8.60	13
LM-05	0.0	19.8	19.8	8.90	176
LM-13	3.1	4.6	1.5	12.30	18

RTC-201	0.0	14.0	14.0	10.90	153
RTC-201	17.4	19.8	2.4	17.30	42
RTR-020	6.1	7.6	1.5	17.80	27
RTR-044	0.0	19.8	19.8	11.60	230
RTR-044a	0.0	3.1	3.1	9.94	31
RTR-044a	25.9	27.4	1.5	10.60	16
RTR-048	54.9	56.4	1.5	13.70	21
RTR-049	33.5	35.1	1.6	163.00	261
RTR-049	73.2	76.2	3.0	28.10	84
RTR-059	29.0	32.0	3.0	20.60	62
RTR-071	0.0	13.7	13.7	9.71	133
RTR-095	7.6	19.8	12.2	12.60	154
RTR-098	0.0	13.7	13.7	12.70	174
RTR-133	71.7	76.2	4.5	17.40	78
RTR-134	126.5	143.3	16.8	12.00	202
RTR-153	9.2	18.3	9.1	11.10	101
RTR-153	73.2	74.7	1.5	12.30	18
RTR-156	16.8	18.3	1.5	10.30	15
RTR-159	4.6	7.6	3.0	8.57	26
RTR-163	18.3	19.8	1.5	31.50	47
RTR-180	111.3	114.3	3.0	11.70	35
RTR-181	80.8	102.1	21.3	9.09	194
RTR-190	144.8	160.1	15.3	11.30	173
RTR-191	134.2	147.9	13.7	19.10	262
RTR-258	152.4	155.5	3.1	14.10	44

(1) *Drill thickness – True widths of drill intercepts have not been determined*

(2) *g/t: grams/tonne*

Timberline also completed a six-hole RC drill program on the Windfall target in 2015. The drilling successfully tested the on-strike, offset, and down-dip extensions of gold mineralization that was previously mined at Windfall. The drill holes were completed over a strike length of approximately 3,000 feet (914 m) and intersected gold mineralization consistent with that reported from historic drilling in the area, highlighted by drill hole BHWF-40, which intersected 80 feet (24.9 m) at 0.09 opt (3.09 g/t) of gold including a subsection of 20 feet (6.1 m) @ 0.26 opt (8.91 g/t) of gold.

During the continued difficult commodities environment of fiscal years 2016 and 2017, the Company did no drilling or significant field work at the Eureka Project. During fiscal year 2018, we conducted internal geologic reviews of the project, with a focus on higher grade (>3 g/t) gold mineralization that is associated with extensive zones of fault breccia, as well as carbonaceous collapse-breccia. The team also compiled and reviewed historical geophysical data. This included property-wide magnetics and three lines of shallow induced polarization/resistivity (IP) data from 1992. These data defined three north-to-south trending anomalies at Lookout Mountain that are partially coincident with the high-grade gold drill intercepts and faults. In addition, a single line of historical controlled source audio magneto-telluric (CSAMT) data which crosses the Lookout Mountain open-pit area was also evaluated.

The review of historical data led to design and completion of a detailed gravity survey around Lookout Mountain. The gravity data correlates well with structures identified in the CSAMT and with magnetic signatures and geologic mapping. Together the data outline a graben-like feature, the west boundary of which is extensively drilled and approximately coincident with the existing north-to-south trending gold resource at Lookout Mountain. The central portion of the graben had been tested only locally on the west side by four closely-spaced holes (BHSE-152, -171, -172, -173) at the Water Well Zone, all of which contain relatively high-grade gold. The eastern margin of the graben is marked by the major Dugout Tunnel Fault, which separates down-faulted Ordovician rocks from older Cambrian rocks to the east.

Additional field work in 2018 was also completed at the Windfall target. Work there focused on collection of 40 rock chip samples in and between the historical Rustler, Windfall, and Paroni Pits. Highlights included 10 samples with greater than 0.029 opt (1.0 g/t) and 6 greater than 0.088 opt (3.0 g/t) gold, up to a maximum of 0.382 opt (13.1 g/t) gold. In total, 17 samples assayed greater than 0.007 opt (0.250 g/t), documenting the extensive zone of gold mineralization.

During fiscal year 2019, field activities were re-initiated upon entering into the Lookout Mountain LLC Agreement with PM & G Mines, Inc. ("PM&G") to fund advancement of exploration with an initial focus on the high-grade mineralization in the vicinity of the Lookout Mountain open pit. Initial work entailed a continuation of re-logging of historical drill core in the resource area, where drilling had delineated a northwest-southeast trend of high-grade gold (defined as drill hole intercepts of ≥ 0.10 opt or ~3 g/t) (Figure 3). This high-grade gold area has a strike length of approximately 500 feet (~150m) within the pit area and is up to 250 feet (~60m) wide. It includes relatively flat lying to moderate dipping gold-bearing zones at multiple elevations, including some exposure in the historical pit. The gold mineralization is constrained, at least in part, by stratigraphy and zones of decalcified collapse breccias in the Dunderberg formation. The breccias locally contain the minerals orpiment and realgar (arsenic sulfides).

In addition to relogging historical drill core, a professional land survey was completed in the Lookout Mountain pit area by a Nevada licensed land surveyor. The work was designed as part of a QAQC assessment of historical drill collar data with results to facilitate advancing the project spatial controls to standards required for mine planning, resource modelling and engineering.

In early FY2020, the Company filed with the BLM an amended work plan to the 2009 BLM Plan of Operations for Lookout Mountain. The amended work plan proposed bonding with an additional 9 acres of proposed disturbance beyond the existing 28 acres of disturbance. The increased bond will permit construction of up to 249 drill sites and 28,657 feet of road access in the immediate area of the Lookout Mountain open pit. The work plan was subsequently approved in mid-2020.

During the third quarter of FY 2020, PM&G resigned from the joint venture because they failed to meet the minimum earn-in investment requirements. As a result, the planned drill program did not take place. However, upon completion of a financing in August 2020, the Company submitted additional bond capital of $246,013 to the BLM in preparation for renewed drilling at the Lookout Mountain target.

Twelve RC drill holes totaling 8,000 ft (2,438 m) were completed in FY 2020 within or near the resource area to confirm historical intercepts and as in-fill in mineralized areas (Figure 4). Five of the RC holes were drilled as offsets to the 2015 WWZ discovery drilling. The program continued into early FY2021 with completion of an additional three core holes totaling 4,477 ft (1,365 m). The core holes were completed east of the resource area to test an IP anomaly and down-dip extensions of WWZ mineralization. The core holes did not reach their target depths and were terminated due to drilling difficulties.

In late 2020 and early 2021 Timberline announced additional drill results of high-grade gold inside the existing resource and to the east in the WWZ (Figure 13) (*see Company news releases dated December 1, 2020 and January 7, 2021*). Highlights included:

- Hole BHSE-176 intercepted near surface high-grade gold mineralization, 15.24m averaging 10.09 g/t, beginning at 21.34m downhole depth, including 9.14m of 16.31 g/t, which included 3.05m of 31.40 g/t.
- Holes BHSE-177 and 178 encountered shallow oxide gold within the existing resource, including 18.29m of 0.87 g/t (from surface), 48.77m of 1.00 g/t, and 59.44m of 0.63 g/t.
- Holes BHSE-180, 181, and 182 confirmed northward and down dip extensions of mineralization beyond the Lookout Mountain pit, including gold intercepts of up to 18.29m of 1.58 g/t in the latter of these holes.
- Hole BHSE-184 drilled 18.29m @ 0.93 g/t gold in the shallow sub-surface below the historical pit.
- Hole BHSE-186 intercepted 6.10 m of near surface high-grade gold (5.21 g/t) and a separate, broader zone (25.91 m) at 0.77 g/t mineralization at further depth within the pit area.
- Hole BHSE-187 encountered 7.62 m of 4.49 g/t gold outside the existing resource area within a broader zone of 32.00 m at 1.82 g/t.

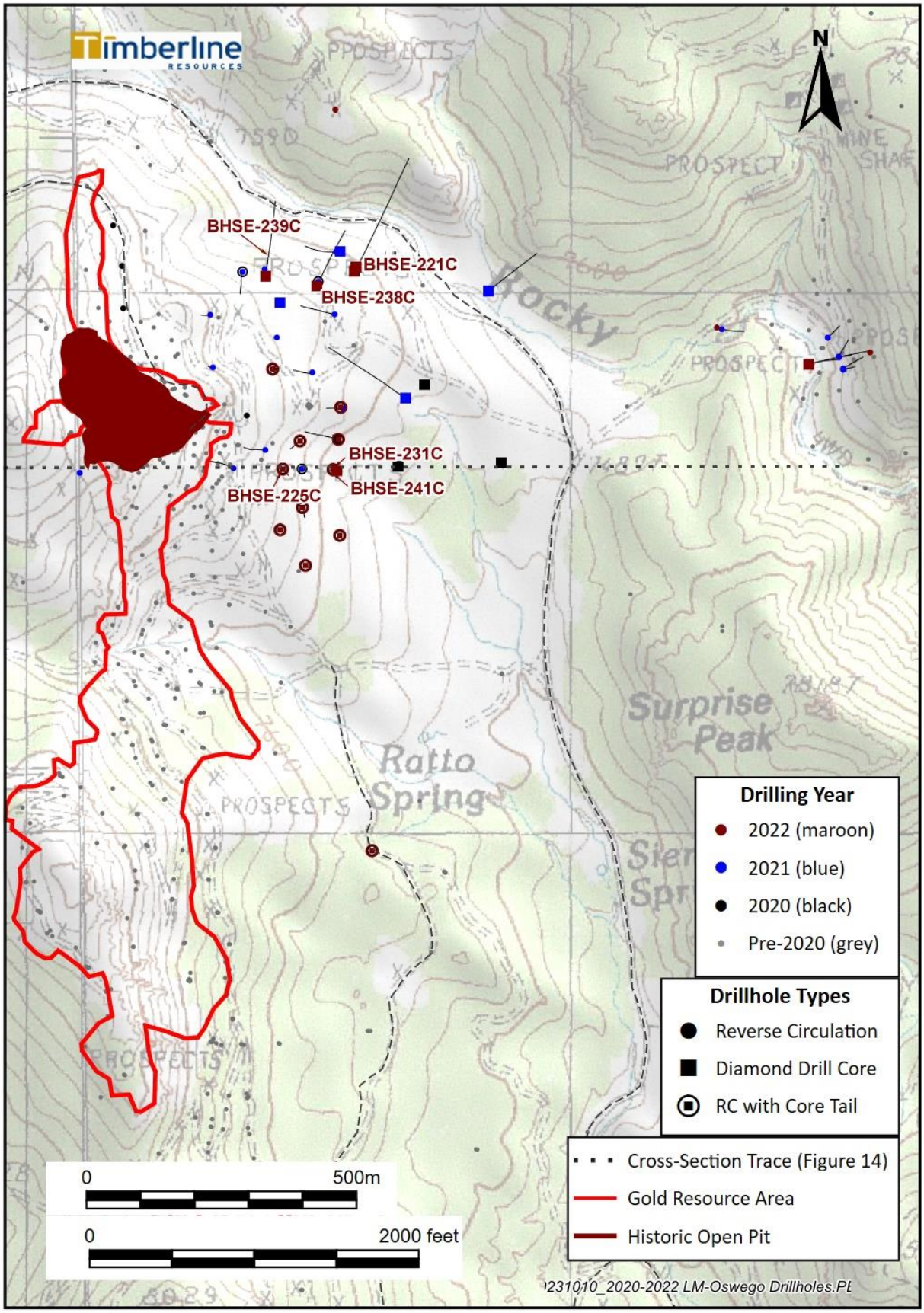

Figure 13. Lookout Mountain Resource Area 2020-2022 Drilling

Table of Contents

A schematic cross section view from just south of the historical Lookout Mountain pit shows the geology of the resource and WWZ areas (Figure 14). Much of the Lookout Mountain gold resource is associated with the east-dipping Highwall Fault and the east-dipping contact between the Dunderberg formation and the underlying Hamburg formation. Timberline geologists have noted significant multi-staged collapse brecciation at the contact that likely accounts for the development of porosity and permeability. The mineralizing fluids exploited fault zones and favorable horizons as evidenced by associated intense silicification, sulfidation, and carbonaceous replacement. The resulting jasperoid contains abundant fine sooty pyrite and oftentimes, the arsenic sulfide minerals orpiment and realgar. Jasperoid is present as irregular pods and masses of silicification at various levels within the Dunderberg formation, replacing beds and forming locally cross-cutting veins and veinlets. East of the Lookout Mountain resource, the gold mineralization tends to be localized in the basal 10 to 40m of the Dunderberg, which may or may not be silicified.

The shale and limestone above the gold mineralization often demonstrate calcite veining that passes into zones of argillic alteration. The Hamburg formation dolomite below the contact is usually pervasively oxidized, weakly mineralized and variably decalcified and, in many areas, completely "sanded" by removal of all interstitial calcite.

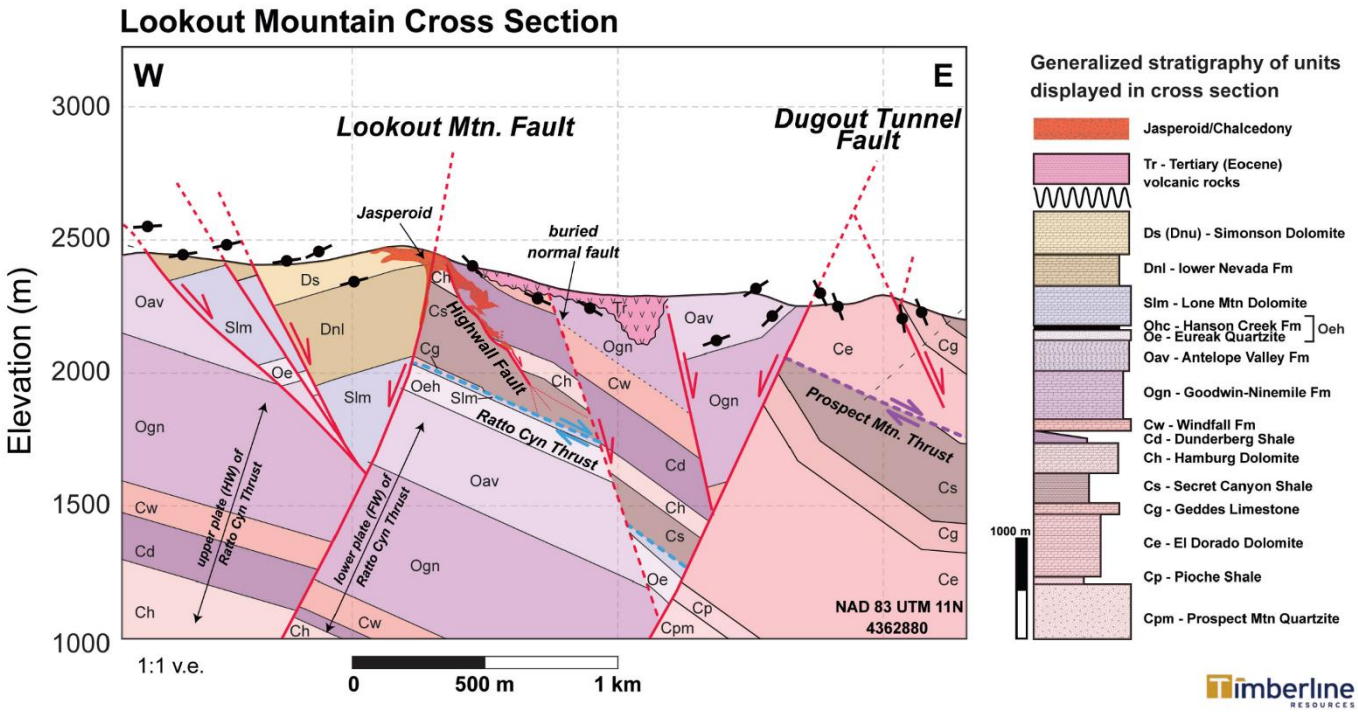

Figure 14. Schematic Cross Section through Lookout Mountain and Graben Zone

As the rock units dip to the east, the mineralization in the WWZ is east, downdip and open from the 2013 gold resource area. The basal Dunderberg formation host is well understood and the 2021 drilling successfully intercepted mineralization approximately where expected.

In 2021, the Timberline team applied geophysics in conjunction with geologic mapping and 3D modeling of drill data to further advance exploration targets beyond the resource area for drill testing. A district-scale gravity survey was extended from the Lookout Mountain area over the Eureka property block in the quarter ending December 31, 2021 (Figure 15). In his interpretation and reporting of the gravity data, Jim Wright of Wright Geophysics (Elko, NV) recognized the presence of multiple structures and alteration zones that are consistent with the architecture of a Carlin-type gold district.

In late 2020, the Company also retained Simcoe Geoscience Limited to complete a 28 line-km IP survey on the Lookout Mountain Trend. IP geophysics is useful for identifying rocks that are rich in sulfide minerals (such as pyrite) and carbonaceous material, both of which can be enriched in Carlin-type gold systems. The 2021 survey followed-up on sulfides and carbonaceous material encountered in some of the deeper drill holes in 2020. Strong north-south trending IP anomalies were identified within the central part of the graben zone at Lookout Mountain (Figure 10). A second IP survey of 25 line-km was completed by Zonge Geosciences, Inc. (Zonge), which identified similar IP anomalies in the Windfall area farther northeast. Zonge also completed a CSAMT survey along four lines totaling 19 line-kilometers with lines transecting major target areas at the WWZ, West Lookout, Oswego, Rocky Canyon, South Lookout - South Adit, and at Windfall. The additional resistivity data generated from the CSAMT

provided enhanced insights into the alteration, faults, and host rock stratigraphy. The combined new geophysical data generated significant improvements in the Company's three-dimensional model of the gold targets at Eureka.

The gold systems at the Eureka Project often come to the surface where faults and altered rocks yield soil geochemical anomalies in gold and pathfinder elements. Each of the three major trends at Eureka is reflected in gold anomalies in Timberline's historical soil geochemical dataset. During the summer of 2021, Timberline collected approximately 900 soil samples across the northeastern portion of the Eureka property, which had never been covered by previous workers. The 2021 survey employed new ultra-trace level multi-element analyses of the samples, offering a wider range of elements and much higher sensitivity. We also engaged Mary Doherty of International Geochemical Consultants, LLC (IGC) to integrate the new data with the approximately 5,750 historical samples and statistically level the dataset for new interpretation work. The resulting maps provide near-complete soil geochemical coverage over the northern two thirds of the Eureka Project. The new maps and interpretation provided by IGC recognized numerous distinct soil anomalies consistent with Carlin-type gold geochemistry, particularly emphasizing the Lookout, Windfall, and Oswego trends. The soil data also mapped silver-lead-zinc anomalies consistent with carbonate-replacement type deposits (CRD), best developed in the far northeast of the property at New York Canyon. Modern interpretation tools have helped the team map crosscutting NW-SE and NE-SW trends likely delineating faults (Figure 16). It is clear from the data that silver and gold mineralization is likely to extend well beyond existing drilling in several areas.

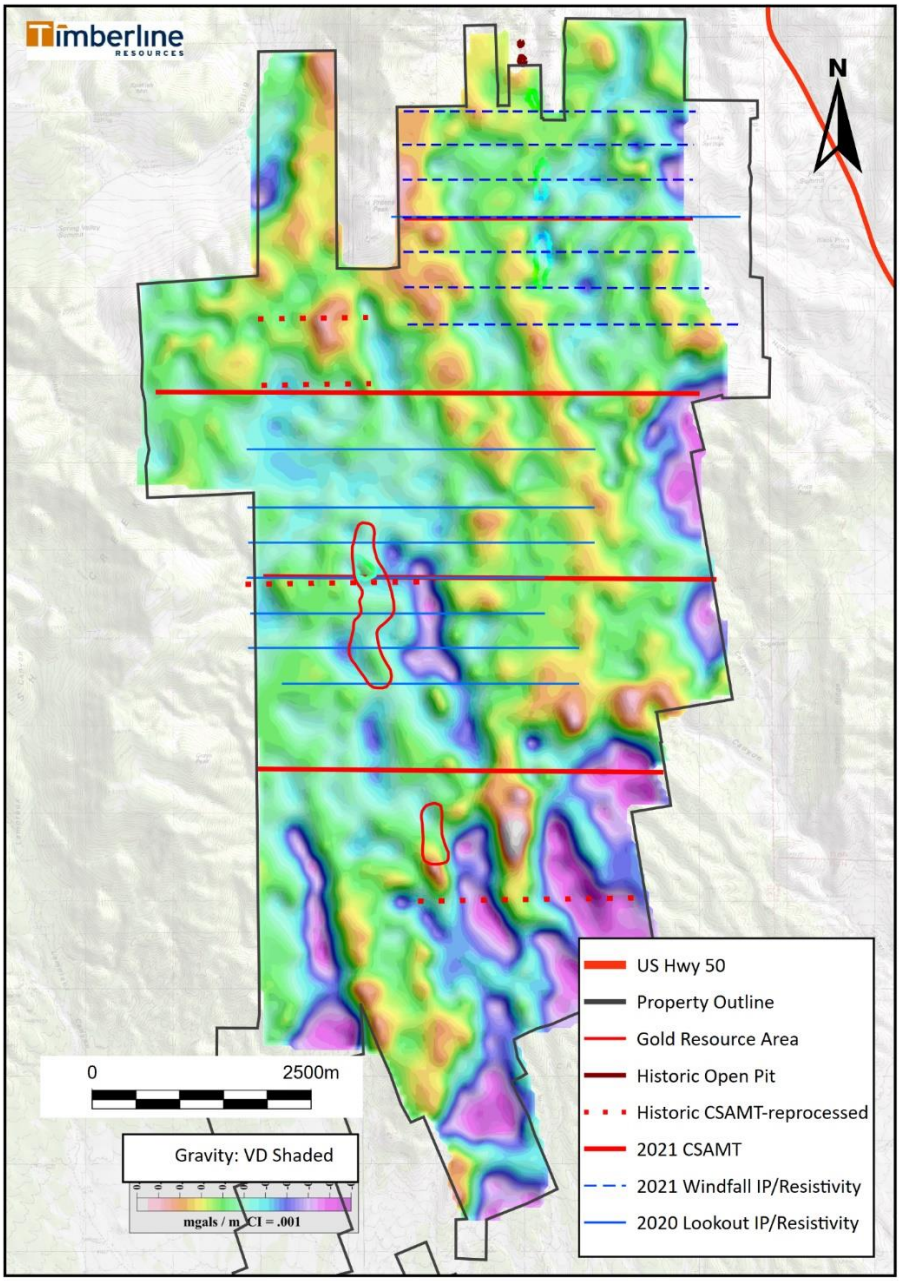

Figure 15. Eureka Project 2020 – 2021 Geophysical Surveys

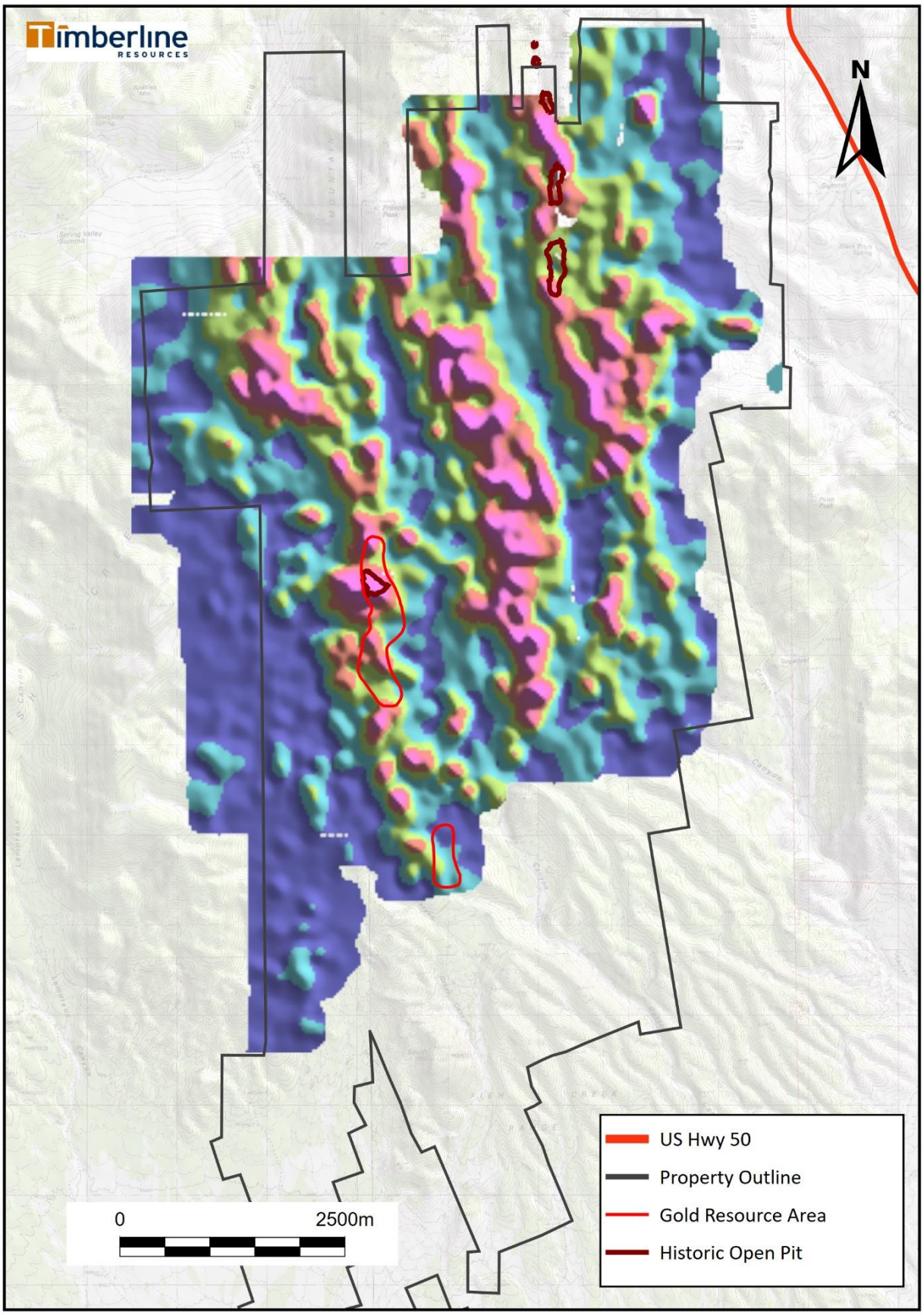

Figure 16. Soil Geochemistry Factor Map Area showing Normalized Au+As+Sb data

Drilling resumed at Eureka in July 2021, though the program was broken into two parts based on availability of drills and drill crews. Drilling began in July with several RC drillholes and then a diamond core rig commenced work in October 2021. In total, the program included 11,465 feet (3,495 m) of core and 21,444 ft (6,536 m) of RC drilling. In some cases, the Company employed RC drilling for the upper portions of the holes ("pre-collars") and drilled core through the deeper target zones ("core tails"). The primary targets for this program were step-outs around earlier gold intercepts and selected fault zones in the WWZ as well as the IP anomaly in the Graben Zone east of the WWZ (Figure 17). We added a few drill holes at Oswego late in the program when surface sampling results became available.

The program was successful at expanding the footprint of the WWZ and its average grade and thickness. One of the holes, BHSE-206C also encountered the first significant silver-lead-zinc (CRD type) intercepts reported from the central portion of the project. Most of the 2021 drilling program was reported during the first quarter of 2022, and the highlights include:

- BHSE-212C: 41.1m at 5.03 g/t Au, including 19.8m at 9.49 g/t Au;
- BHSE-220C: 44.2m at 4.10 g/t Au, including 12.2m at 9.18 g/t Au;
- BHSE-192C: 24.4m at 3.85 g/t Au, including 4.6m at 8.35 g/t Au; and
- BHSE-206C: 202.7m at 5.28 g/t silver (Ag), including 56.4m at 9.69 g/t Ag, 0.17% Zn, and 0.11% Pb

The most important finding from the 2021 drilling campaign was confirmation of the consistency of Carlin-type gold mineralization at the basal contact of the Cambrian aged Dunderberg formation with the Cambrian Hamburg formation. The Hamburg is a limestone-bearing formation that is variably altered to dolomite and often subject to solution collapse; the resulting volume loss has also caused the collapse of the overlying altered Dunderberg formation. The contact zone is converted into an almost ubiquitous breccia body over a large area at Lookout and the WWZ. This breccia varies from approximately five to more than 40 meters thick, and it was an excellent host for the hydrothermal fluids that deposited the gold.

The 2021 drilling encountered thick and high-grade (>3 g/t) gold over a north-south corridor spanning more than 400 meters, as defined by the intercepts in BHSE-220C in the north and BHSE-212C in the south. Using a long section view that extends that trend southwest into the Lookout Mountain resource area, one can see that the Dunderberg-Hamburg contact is mineralized with gold for more than 1 kilometer (Figure 18). The thickness and grade vary, but gold and associated Carlin-type pathfinder elements are enriched in every drillhole that penetrates the contact. As recorded in Table 5, some of the new WWZ intercepts from the 2021 drill program are among the richest on the project when expressed as grade-thickness in gram – meters of gold (thickness of interval multiplied by the average gold grade of the interval).

There were also important advances in the understanding of structural geology, stratigraphy, alteration, and geologic controls on the gold mineralization in the WWZ resulting from the 2021 drill program. This was due in large part to the increased use of core drilling instead of RC drilling. This came about because Timberline geologists tested RC vs core drilling at the north end of the WWZ. Drilling in this area with an RC rig encountered an area of higher than usual groundwater inflow (BHSE-205). The resulting samples from the RC rig appeared to be visually favorable, including extreme alteration and abundant sulfide minerals. The assays from that interval were highly enriched in gold, but the grades were lower than expected based on the observed geology. We brought in the diamond core rig to twin the RC hole with core (BHSE-220C) – the two vertical holes were collared just over 2 meters apart. The same mineralized zone was encountered with the core rig, but the results were quite different.

Not only was the mineralized zone somewhat thicker as reported from core, but the grade was much higher. The literature and anecdotal reports from Nevada commonly cite differences between RC and core samples of 10 – 20%. After canvasing other experienced Nevada geologists, we also heard reports of more extreme discrepancies of 75 – 100%. Such differences are generally ascribed to the possibility that high rates of groundwater inflow to a drillhole could wash away very fine-grained gold-bearing phases such as sooty pyrite and/or clay minerals. These fine mineral phases can be very gold-rich. Some RC rigs are forced to change bits in wet drilling conditions, and it's accepted by many industry experts that tri-cone bits suffer greater sample loss and contamination than hammer bits. In this case, the results from drill core were markedly different from the RC results:

- BHSE-205 (RC): 36.6m at 1.06 g/t gold
- BHSE-220C (core): 44.2m at 4.1 g/t gold

It is important to note that the discrepancy between sampling results by RC and core drilling is not always so extreme. Additional work during 2022 suggests that core drilling generally yields higher grade-thickness of gold, but this is sometimes because the core drilling appears to more accurately reflect true thickness of the mineralized zones. The comparisons of gold grade between the two methods may be very similar. See below in the review of the 2022 exploration program for more discussion and additional graphics.

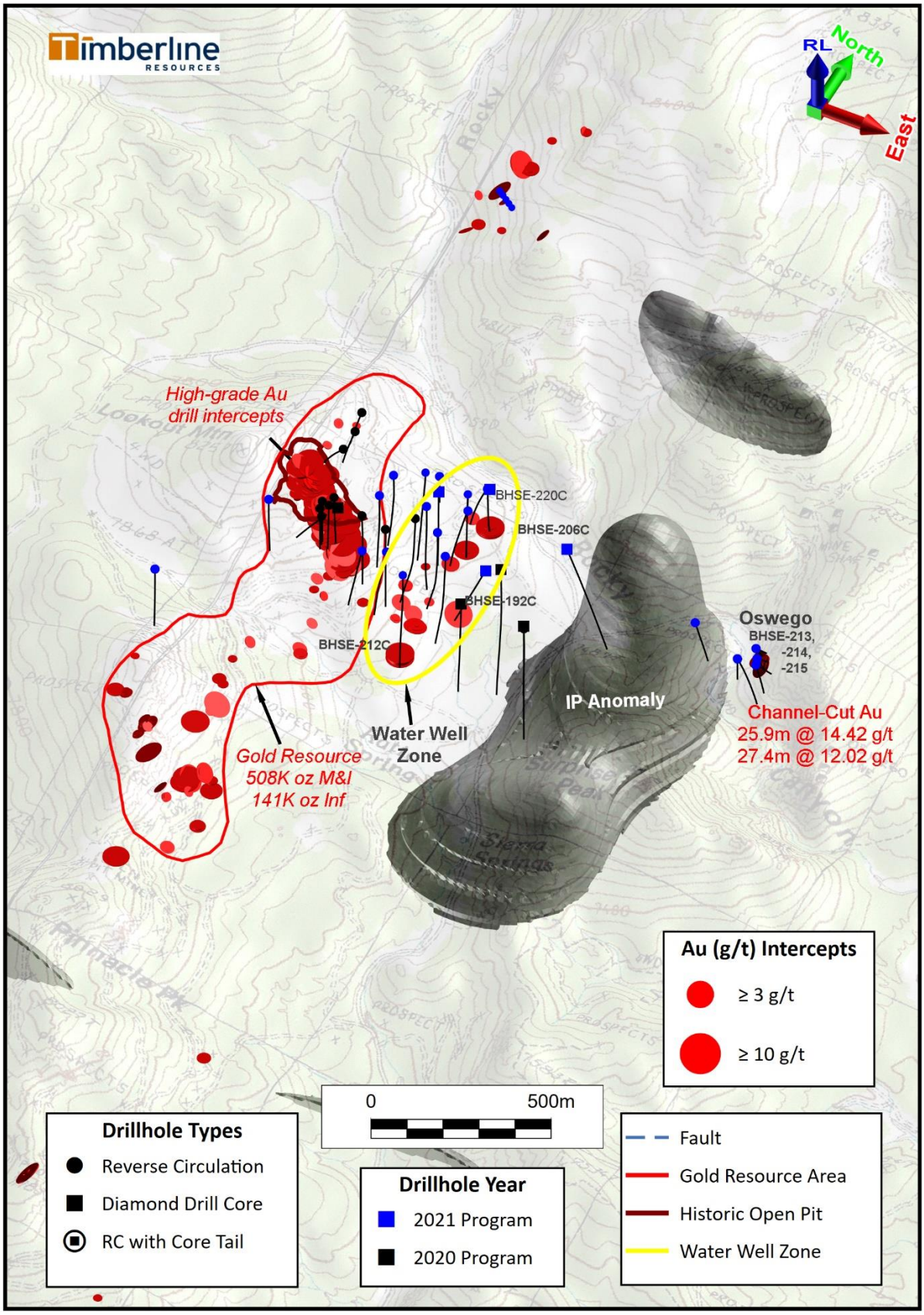

Figure 17. Lookout Mountain Gold Resource Area and Graben Zone with Major Faults, IP anomalies, and 2021 Drill Holes in Target Areas

Table of Contents

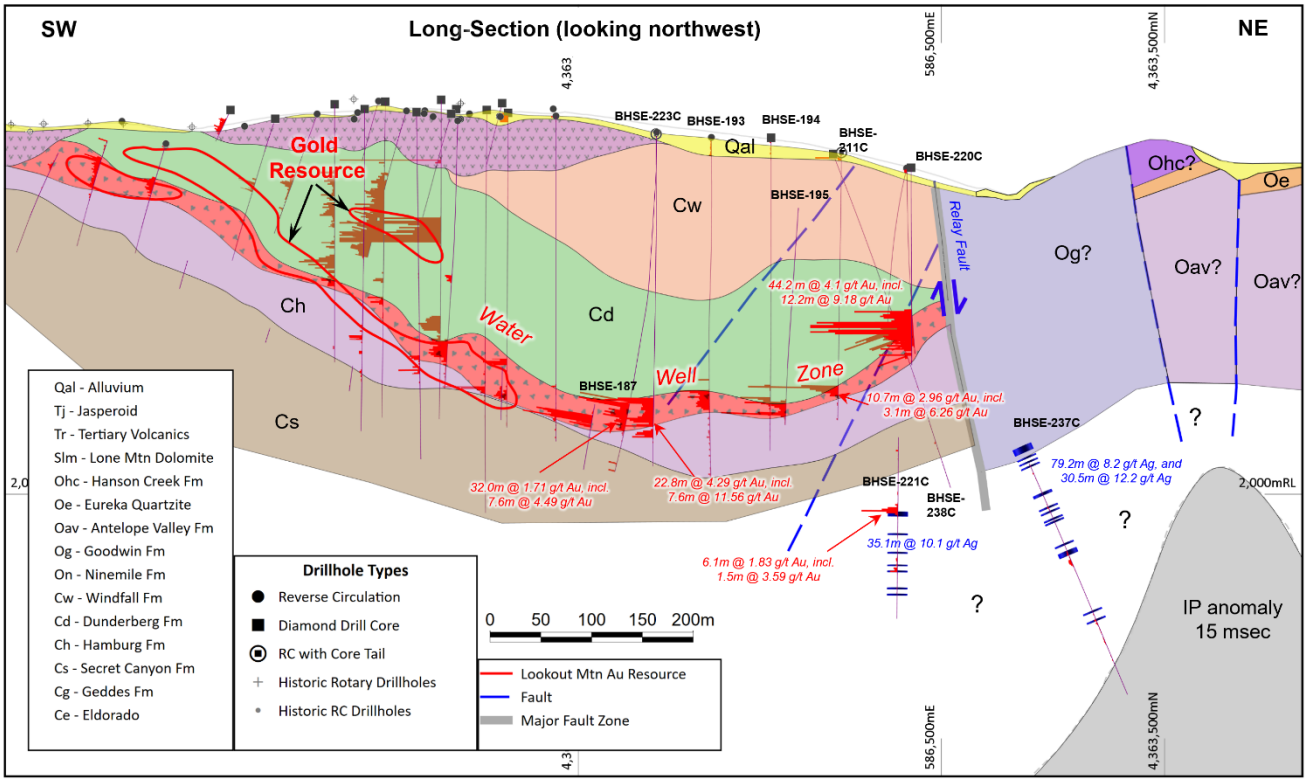

Figure 18. Long Section from Lookout Mountain Resource through Water Well Zone

Table 5. Summary of Drillhole Intercepts in the Water Well Zone (2015 - 2021)

Drill Hole	From (meters)	To (meters)	Length (meters)(1)	Gold (g/t) (2)	Au GT (gram*meters)
BHSE-152	312.4	317.0	4.57 (at TD)	4.72	22
BHSE-171	301.8	327.7	25.9	2.54	66
including	301.8	318.5	16.8	3.41	57
including	310.9	317.0	6.1	5.46	33
BHSE-172	272.8	321.7	48.9	3.26	159
including	274.3	274.5	0.2	4.88	1
BHSE-173	285.0	304.8	19.8	2.29	45
including	289.6	298.7	9.1	2.91	27
BHSE-187	266.7	292.6	25.9	2.18	56
including	266.7	274.3	7.6	4.49	34
BHSE-193	248.4	268.2	19.8	1.38	27
including	248.4	253.0	4.6	2.10	10
BHSE-194	301.8	312.5	10.7	2.36	25
including	301.8	306.4	4.6	3.20	15
BHSE-195	259.1	272.8	13.7	2.02	28
including	269.8	272.8	3.1	4.56	14
BHSE-198	219.5	242.4	22.9	1.11	25
BHSE-204	161.5	167.6	6.1	2.85	17
including	161.5	164.6	3.1	4.88	15

BHSE-205	138.7	175.3	36.6	1.06	39
BHSE-209	324.6	333.7	9.1	1.21	11
including	326.1	330.7	4.6	2.07	10
BHSE-210C	255.1	264.2	9.1	1.34	12
including	255.1	261.2	6.1	1.86	11
BHSE-211C	229.2	239.9	10.7	2.96	32
including	229.2	232.3	3.1	6.26	19
BHSE-212C	316.1	357.2	41.1	5.03	207
including	317.6	345.0	27.4	7.30	200
including	317.6	337.4	19.8	9.49	188
including	317.6	323.7	6.1	16.90	103
including	328.3	335.9	7.6	8.03	61
BHSE-220C	140.8	185.0	44.2	4.10	181
including	140.8	163.7	22.9	6.24	143
including	151.5	163.7	12.2	9.18	112

(1) *Drill thickness – True widths of drill intercepts have not been determined*
(2) *g/t: grams/tonne*

While exploration at Eureka during 2021 focused on the Lookout Trend and nearby WWZ, the team also returned to the Oswego target (approximately 1 kilometer east – See Figures 12 and 13) during the fourth quarter of the year. Timberline geologists collected 67 rock samples from a systematic chip, channel, and trenching campaign at the Oswego gold occurrence (Figure 19). The sampling extended along a 65-metre exposed fault scarp, where historical grab sample results had indicated the presence of high-grade gold. The mapping and sampling in the area identified the Trench Fault as a splay of the Dugout Tunnel Fault. The fault zone hosts an outcrop of oxidized and pervasively silicified rocks that is up to 10 meters high and stretches for more than 60 meters in a northwesterly direction. The results of the channel and trench samples were very positive and are summarized in Table 6.

Table 6. Summary of Oswego Channel Sample Gold Assay Results (No cutoff grade applied)

Sample Set	No. Samples[3]	Meters	Estimated True Thickness (m)	Au (g/t)	Oxide/ Sulfide[1]
North Trench	9	13.7	8.22	1.68	Oxide
including	*1*	1.5	0.9	9.05	
Central Trench	7	**10.7**	**10.7**	**3.63**	Oxide
including	*4*	6.1	6.1	6.25	
South Trench	7	**10.7**	**10.7**	**2.41**	Oxide
including	3	4.6	6.1	3.77	
North Channel	17	**25.9**	**Unknown**	**14.42**	Oxide
including	5	**7.6**		**23.16**	Oxide
[2]Gap Sample	1	1.5		9.88	Oxide
Gap Sample	1	1.5		6.01	
South Channel	18	**27.4**		**12.02**	Oxide

Notes:
[1] 57 of 67 samples were re-analyzed for gold by cyanide leach (method Au-AA13). Average estimated gold recovery by cyanide leach was 93% when compared to fire assay AA or gravimetric finish.
[2] Due to limited access for safety considerations, only two samples were collectable in a 12m gap between the North and South Channel samples.
[3] Six additional surface outcrop samples west of the South Channel returned no significant gold

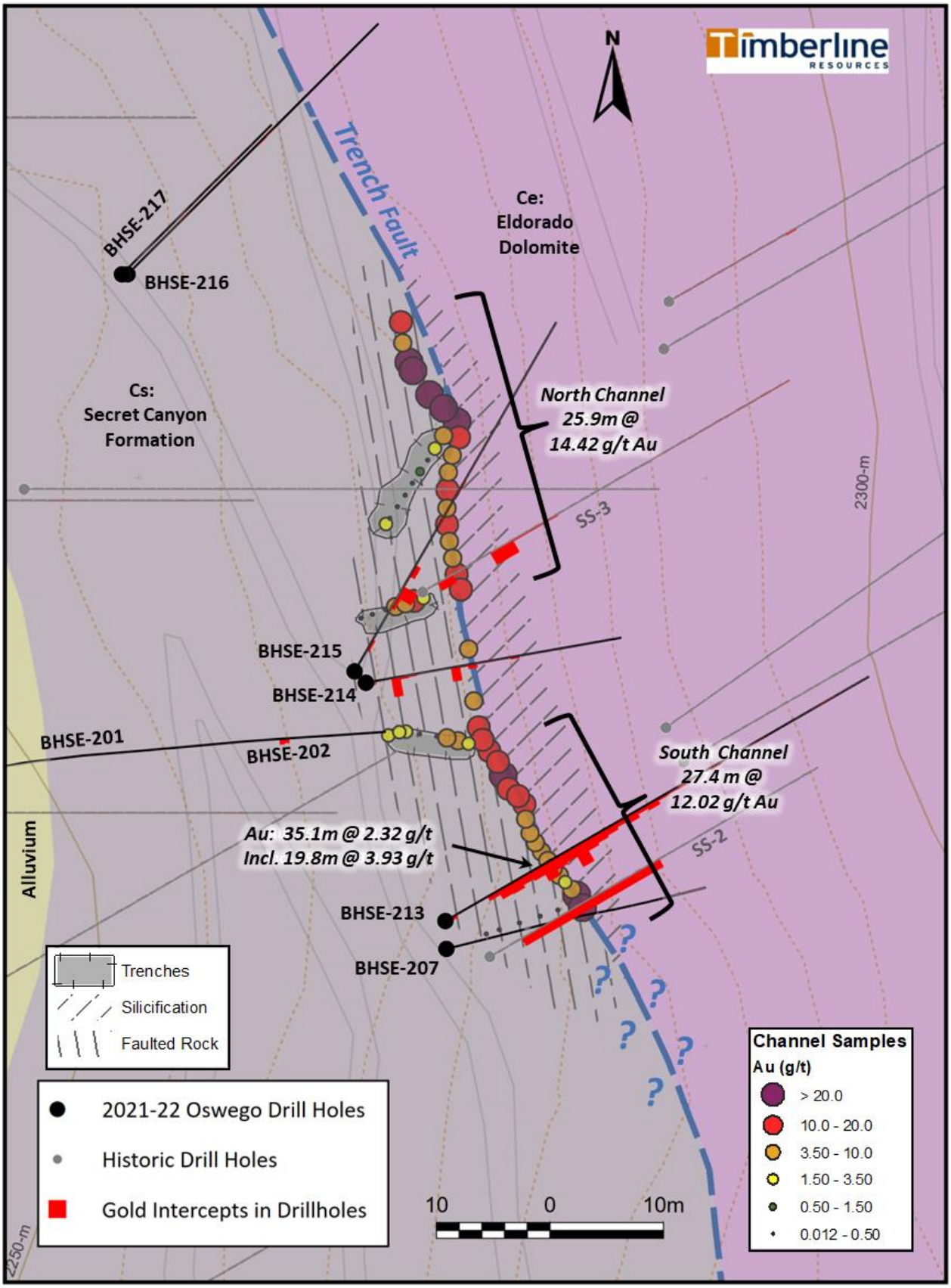

Figure 19. Geologic Map of the Oswego Gold Occurrence with Channel Sample Locations and Results

The strong results from surface sampling at Oswego came just in time to allow adjustments to the 2021 drill program such that eight RC holes totaling 767 meters could be drilled there. Several of the drill holes at Oswego encountered significant near-surface gold mineralization, much of which appears to be oxidized (See Figure 19). The most significant new gold intercepts from these holes included:

- 35.1m at 2.32 g/t gold (oxide) from 6.1m depth in BHSE-213, including 19.8m at 3.93 g/t gold from 7.6m depth;
- 13.7m at 1.31 g/t gold from 3.0m depth in BHSE-215, including 6.1m at 2.49 g/t gold from 9.1m depth; and
- 9.1m at 1.72 g/t gold from surface and 12.2m at 1.22 g/t gold from 15.2m depth in BHSE-214.

The strong gold endowment at Oswego is considered important as Timberline's geologists recognize that the mineralized fault is associated with the eastern margin of the Graben Zone (Figure 4). The fact that some of the mineralization is near-surface and oxidized is also potentially important for future development plans on the project. However, the Oswego mineralization has also been shown to be tightly structurally controlled and (so far) difficult to follow to depth or along strike.

Exploration by Timberline Resources in 2022

The success of the 2021 exploration drilling campaign significantly upgraded the WWZ due to repeated drill intercepts of thicker (> 15 meters) and higher grade (>3.0 g/t) gold mineralization. The 2022 drill campaign continued with a focus on the WWZ, but also included exploration holes farther north and south of the WWZ and at Oswego (see Figure 13). The program included 20 holes totaling 6,367 meters, approximately 65% of the footage was with diamond core as opposed to RC. Results for four of the core holes were reported in 2022 with highlights including (using a 0.3 g/t gold cutoff grade):

- BHSE-223C: 39.0m at 1.71 g/t gold from 259.7m depth, including
    - 28.3m at 1.97 g/t gold from 259.7m depth, and including
        - 5.9m at 3.71 g/t gold from 259.7m depth;
- BHSE-224C: 30.5m at 2.56 g/t gold from 317.6m depth, including
    - 18.4m at 3.80 g/t gold from 317.6m depth, and including
        - 3.35m at 13.36 g/t gold from 331.3m depth;
- BHSE-226C: 22.8m at 4.29 grams per tonne (g/t) gold from 339.9m depth, including
    - 7.6m at 11.56 g/t gold from 342.9m depth;
- BHSE-230C: 3.1m at 10.88 g/t gold from 288.6m depth;

Holes BHSE-221C, -238C, and -239C were released in 2023 and reported above (see "2023 Lookout Mountain Project gold Exploration"). Two holes in the southern part of the WWZ (BHSE-224C and -226C) encountered high grade (>3 g/t) gold and extended the WWZ another 75 meters farther south to a total of approximately 475m; the system remains open to the south and southeast.

Drilling at the north end of the WWZ tested the northward extension of mineralization beyond hole BHSE-220C (drilled in the 2021 program) and exploration targets farther north in a younger Silurian-Ordovician terrane (Figure 4). Three of the holes in the northern part of the WWZ encountered significant gold mineralization, while two holes intersected notable silver-lead-zinc mineralization (Figures 12 and 18). Although the WWZ mineralization at the Dunderberg-Hamburg contact appears to be cut-off or down dropped by a major fault on the north, there are lesser intercepts in BHSE-236 and BHSE-239C indicating that Carlin-type gold mineralization does extend into the younger rocks north of the major Relay Zone fault.

The silver-enriched intercepts from the 2022 drillholes BhSE-221C and 237C were reported in 2023 and are discussed in a previous above section.

As previously discussed (see section "2023 Lookout Mountain Project Gold Exploration") more than 200 m of strongly enriched silver (drillhole BHSE-237C) , as previously reported hole BHSE-206C (*see press release dated March 24, 2022)* with anomalous lead and zinc (up to 1% over narrow widths), and low levels of anomalous gold. These polymetallic zones are often associated with intrusive dikes of granitic composition. These characteristics are consistent with CRD type mineralization, and it is noteworthy that neither the known occurrences of intrusive rocks nor the huge IP anomaly in the underlying graben have been well drilled. These are only the first holes into a new type of target along the Lookout Trend.

The Company is currently awaiting collect age dates on intrusive rocks that may be associated with the silver mineralization. Elsewhere in the district, similar units have been determined to be of Cretaceous age, the likely age of the silver deposits for which Eureka became famous.

The 2022 drilling also included three holes at the Oswego target where some drill success has been had in the wake of high-grade surface gold sampling reported in 2021. At the time of this Annual Report, assays are pending for these drill holes (Figure 4).

The 2022 drilling of the WWZ successfully expanded the zone to a footprint of 475m north-south and up to 125m east-west. The WWZ remains open to the south and downdip to the east. Based on a total of 23 drillholes completed through 2022 which have now passed through the section, the mineralized horizon averages 17.8m thick with an average gold grade of 2.97 g/t. There were several intervals within the WWZ footprint ranging from 3 to 41.1m thick in which the gold grade was higher than 4.5 g/t. The expanded footprint of the zone, if demonstrated to have continuity, has the potential to significantly grow the Lookout Mountain Resource.

A further significant outcome of the 2022 drilling campaign was an improved understanding of the structural geology of the WWZ. Timberline geologists identified a number of faults that were not previously known. In some cases, the faults appear to control higher-grade, and in other cases, the faults have offset the host rocks and therefore appear to cut off the mineralization. The newly updated cross sections shown in Figures 12 and 13 reflect the improved understanding of the geology of the WWZ. The zone still appears to have good continuity, as alteration and anomalous gold are consistently present at the key contact, but the controls on higher-grade gold are sometimes difficult to determine.

As drilling approaches the major Relay fault zone to the north, the cross section through the WWZ shows a high density of faults (blue lines on the section). There is an upthrown block that is bounded and cut by several faults. The upthrown section hosts the high-grade intercept reported in BHSE-220C early in 2022, and the high-grades through that interval may be related to the presence of low-angle faults. These faults explain why follow-up drilling in BHSE-221, BHSE-237, and BHSE-238 failed to intersect the same thickness and quality of gold mineralization. The majority of the faults that cut the Dunderberg-Hamburg contact have not been drill tested, nor have the deeper sections of that contact to the east.

Drillhole BHSE-212C located near the southern end of the WWZ has the best gold intercept yet drilled into the zone. Here, as in the northern part of the zone (near BHSE-220C), the drilling indicates that mineralization is more than 40m thick, including a high-grade interval near the top of the zone spanning 19.8m that averaged 9.49 g/t gold (Figure 4). There are differences in the WWZ between north and south. For instance, the strong gold zone starts at only 140m below surface in the north, whereas the key horizon begins at greater depth in the south, 316m below surface. The Dunderberg-Hamburg contact is the primary host throughout the WWZ, but increased drilling has revealed that the high-grade interval in BHSE-212C is associated with a trough, or topographic low, in the top of the Hamburg. This is contrary to the relative topographic high in the top of the Hamburg exhibited in the north.

During 2022, Timberline drilled offsetting holes around BHSE-212C with varying results. BHSE-226C extended the zone to the south by 75m with an intercept of 22.8m averaging 4.29 g/t gold, whereas BHSE-230C encountered thinner, but still strong, mineralization to the north (8.7m at 2.01 g/t gold and 3.1m at 10.88 g/t gold). It is again apparent that the gold zone in the WWZ is consistent but variable. A contour map (Figure 20) of the total drillhole gold endowment strongly indicates that the gold distribution at the Lookout Mountain resource area and adjacent WWZ pinches and swells. The controls on the thicker and higher-grade sections are primarily related to faults.

Another important learning from Timberline's 2022 drill program was that RC drilling can yield satisfactory results in the WWZ, but core drilling does appear to return (at least somewhat) thicker and higher grade than RC over the same intervals. The Company has now conducted three such tests and the results were not entirely consistent. During 2021, Timberline reported that a comparison between RC hole BHSE-205 and core hole BHSE-220C resulted in much higher-grade gold assays over greater width by core when compared to the RC. However, this year's test compared two more core holes with RC holes, but the holes weren't exactly twins due to approximately 25m deviation by both RC holes. BHSE-223C (core) was drilled close to BHSE-187 (RC); and BHSE-224C (core) was drilled close to BHSE-209 (RC). As reported in a Company news release dated September 14, 2022, one of the pairs compared very well, while the other comparison was markedly different.

Figure 21 shows the 2021 test of BHSE-205 vs 220 alongside the 2022 test of BHSE-187 vs 223. In the case of 205 vs. 220, the results show few similarities. The distribution of gold grade between the core and RC holes is quite different, particularly with respect to the central part of the interval that was consistently high grade in the core hole. In fact, the RC samples did not return any +10 g/t gold assays. Whereas both the grade distribution and absolute gold assay values compare much better between BHSE-187 and 223. The richest part of the interval is near the top in both cases, but the RC samples yielded higher gold maxima in the assays. The Timberline technical team has concluded that RC drilling can be effective at WWZ, so long as the drill has sufficient compressor capacity and is operated by an experienced team.

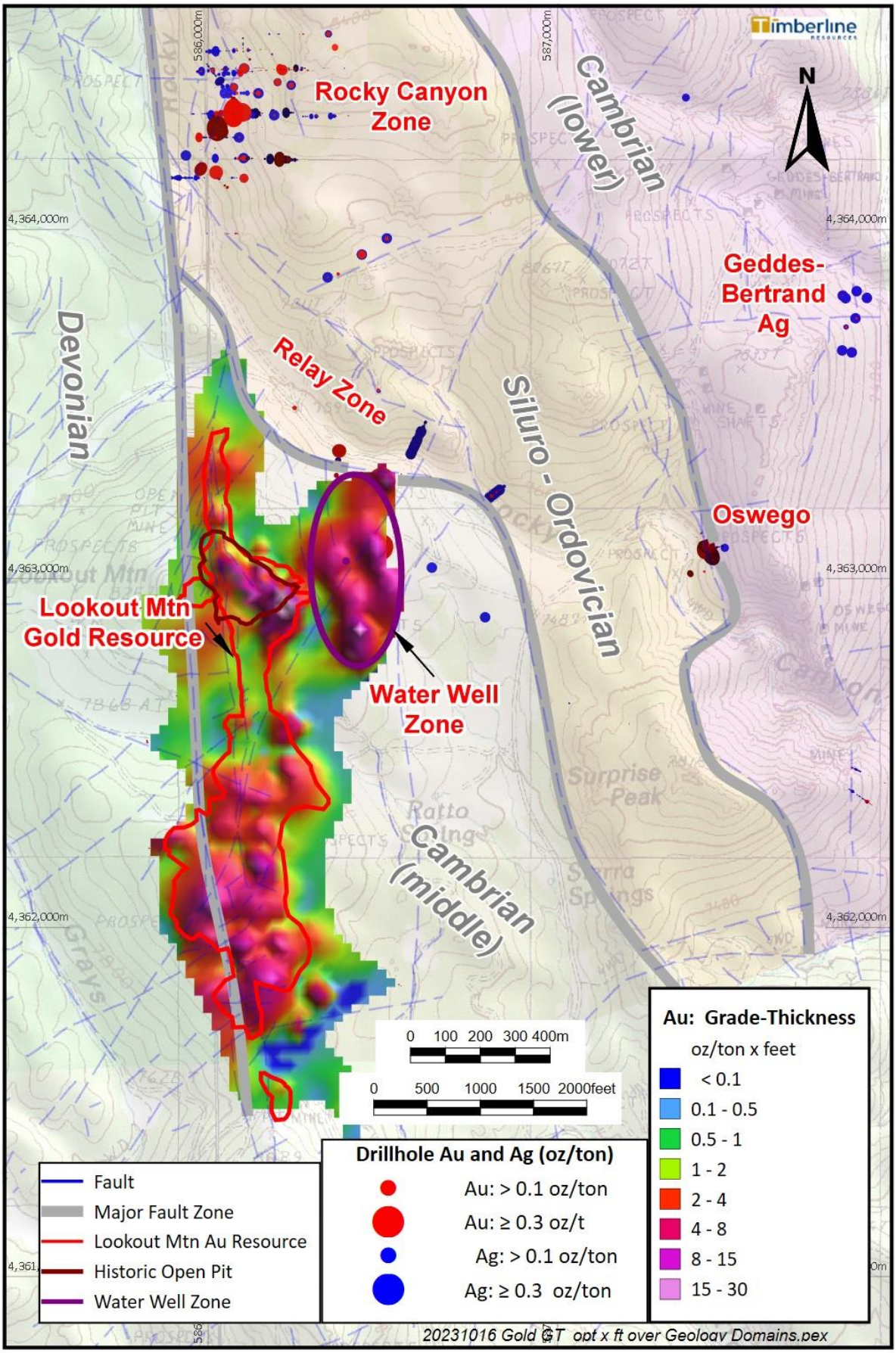

Figure 20. Lookout Mountain Resource and WWZ Drillhole Gold Grade-Thickness (oz/ton x feet) Map

Table of Contents

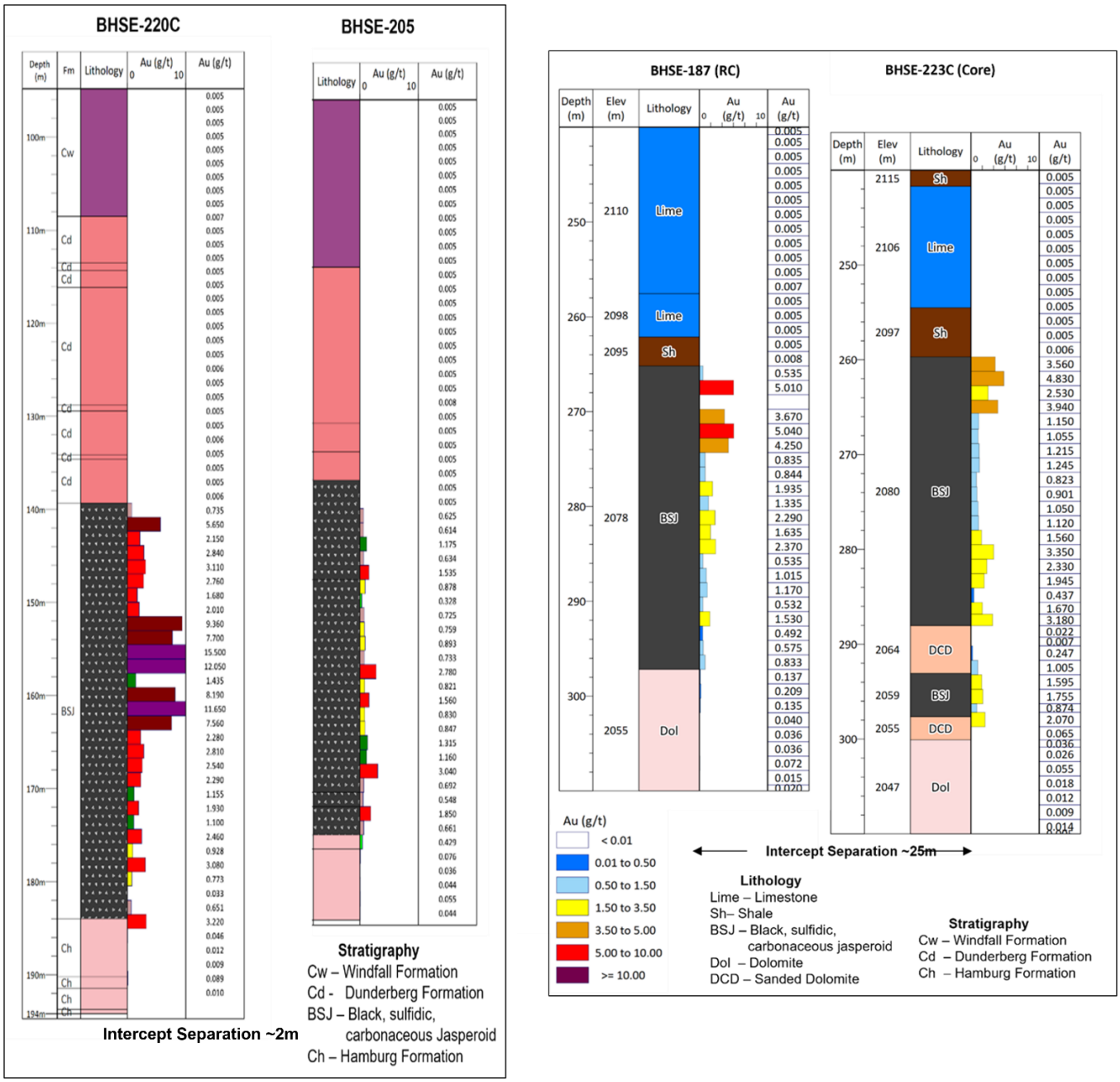

Figure 21. Comparison of RC vs Core Drilling Tests at WWZ

Historic Exploration: 2005 to 2010 (Staccato Gold)

Staccato Gold ("Staccato") advanced exploration of the Eureka Project and completed drilling between 2005 and 2007, and in follow-up initiated a comprehensive work program in June 2008 which included geologic modeling of all drilling results. This modeling included structural and stratigraphic controls to mineralization, additional density determinations, and new drilling and metallurgical test data. Results of this work were incorporated into subsequent exploration work completed since 2008.

From 2005 to 2007, core drilling programs at Lookout Mountain completed by Staccato Gold provided data to better define stratigraphy in the higher-grade breccia-hosted gold zones at the Lookout Mountain pit and discovered new areas of mineralization. The core drilling program demonstrated the stratabound nature of gold mineralization in thick zones of collapse breccia within the Ratto Ridge structural zone. Former Timberline director, David Mathewson, was a consulting geologist for Staccato during this period, leading much of the core logging and development of the geological model at Lookout Mountain. Metallurgical and other technical characteristics of known mineralization were also investigated at Lookout Mountain.

An exploration Plan of Operations was prepared by Staccato and was approved in 2009 by the BLM and the State of Nevada Department of Environmental Protection ("NDEP") for the Lookout Mountain Trend. The Plan of Operations called for

approximately 266 acres of disturbance that can be accessed for use in a phased approach and covers the entire structural corridor. The Plan of Operations allowed ground disturbance to complete additional infill, metallurgical, and exploration drilling necessary to advance the development of the Lookout Mountain Deposit and other targets along the trend.

In October 2009, Staccato also initiated work at the Windfall Target including detailed mapping and sampling programs and completed a ten-hole drill program totaling 8,030 feet (2,448 m). The drilling program focused on testing the extent of gold mineralization below the Windfall and Rustler open pits, located approximately 3 miles northeast of the main Lookout Mountain mineralized area.

Results from the surface mapping program, review of historical production and geologic maps, and drilling indicated that high-grade gold is locally controlled within cross structures cutting the main Windfall fault zone, at the contact between the Hamburg Dolomite and Dunderberg Shale. The 2009 drill program tested approximately 3,600 feet (1,097 m) of strike length of the Windfall fault zone with wide spaced drilling. The Windfall fault zone is part of an extensive mineralized structural trend which extends for over 17,000 feet (5,182 m) based on historical data.

All holes in the 2009 exploration program encountered thick intercepts of low-grade gold (holes 5–12) or anomalous gold mineralization (holes 13 and 14) within the Windfall fault zone. The offset and exploration holes as drilled define the Windfall Fault as a 150 to 200-foot (46 – 61 m) wide zone striking roughly north-to-south and dipping approximately 60 degrees to the east, containing two or more significant zones of mineralization.

Five of the ten holes were drilled as offsets to follow up on the high-grade gold intercept drilled in hole 4, which intersected 75 feet (23 m) at 0.153 opt gold, and five other holes were drilled to test the strike and dip extent of the Windfall fault zone. Several thick intercepts of gold mineralization were returned, including 135 feet (41 m) at 0.011 opt gold in hole 7, 135 feet (41 m) at 0.016 opt gold in hole 8, 115 feet (35 m) at 0.010 opt gold in hole 9, and 100 feet (30.5m) at 0.018 opt gold in hole 11.

A secondary hanging wall structure identified by the mapping program was also encountered in drill holes 7, 8, 11, and 13 and is characterized by strong silicification and decalcification of Windfall Formation and Dunderberg Shale in the hanging wall side of the fault, with Dunderberg Shale and Hamburg Dolomite on the footwall side. Drilling indicates a down to the east offset of the Dunderberg – Hamburg contact. This secondary structure represents an attractive and untested target at depth.

Historical Exploration: 1970s to 1990s

On the Windfall, Hamburg Ridge, and New York Canyon claim groups, Bill Wilson of the Idaho Mining Corp, then Windfall Venture, later Norse-Windfall, initiated reconnaissance mapping, soil and rock chip sampling, trenching, and drilling in the early 1970s. He noted that the original underground Windfall Mine, which was discovered in 1908 and produced approximately 65,000 tons of "invisible gold" mineralized rock grading 0.368 opt, was a Carlin-type sediment-hosted disseminated gold occurrence. Wilson's work emphasized the east side of Hamburg Ridge and the Windfall Trend, where he drilled conventional air rotary holes. The drill holes were generally from 50 to 250 feet deep. Six of Wilson's original forty-three Z-holes intersected gold mineralization exceeding 0.02 opt gold. This success led to infill drilling and the development of the Windfall open pit mine in 1975, and soon thereafter, the Rustler and Paroni open pit mines. Gold was extracted in a heap-leach operation from sanded and silicified dolomite and silicified shale.

No geologic maps exist from this period other than a few maps compiled from USGS work. Although many drill hole location maps are archived in the files of Century Gold Corp., the coordinates for many drill hole collars are not available, very few collars are visible in the field, and assay data from infill drilling is poorly documented.

Table 5. Summary of Historic Drilling on Eureka Project

Company	No. Drill Holes	Period	Target Area
Norse-Windfall	63	1970s – 1980s	Hoosac/Windfall
Amselco	8	Mid-1980s	
Tenneco	18	1989-1991	
Pathfinder	18	1993	
Pathfinder/Cambior	36	1995-1996	
Amselco	296	1978-1985	Lookout Mountain
Windfall Group	20	1986	
EFL Gold Company	10	1990	
Barrick Gold	40	1992-1993	
Echo Bay	70	1994-1995	

Significant exploration on the Eureka property occurred during the drilling programs mounted during the 1980s and 1990s. The table below summarizes historic drilling by company, era, and focus of their exploration. These data are compiled from historic company reports and, in many cases, have been at least partially validated with the presence of drill cuttings or core in the Company's inventory. These drilling programs were conducted concurrent with and guided by geologic mapping, geochemical rock and soil sampling programs, and air and ground geophysics. Geological mapping and geochemical programs were very successful in discovering target areas characterized by permissive structures and traces of gold with arsenic, antimony, and mercury anomalies in soil and rock.

The methods of collection and analyses of some historical soil and rock samples were not always available in the data, but it is likely that the samples were collected, documented, prepared, and analyzed to the standards of professional diligence and analytical techniques applicable at the time. The importance of a geochemical-geological exploration approach is evidenced by the fact that the drilling of many such anomalies resulted in significant indications of disseminated gold mineralization. The Windfall, Rustler, and Paroni Deposits on the Windfall claims and the Lookout Mountain Deposit were discovered by drilling soil and rock anomalies in permissive structural and stratigraphic settings. Drill testing of several geochemical anomalies in permissive geological settings has also resulted in the discovery of several additional promising zones of gold mineralization on the Hamburg Ridge, Windfall, and Lookout Mountain claim groups. As yet, these zones have not been fully tested.

Amselco Exploration began exploring the Lookout Mountain project in 1978, conducting extensive geologic mapping, soil and rock sampling and an initial 15-hole reverse circulation ("RC") drilling program which tested gold mineralization along the Ratto Ridge Fault and associated geochemical anomalies and jasperoids developed along the north-to-south trending Ratto Ridge. This drilling discovered significant sediment-hosted disseminated gold mineralization at depth. Amselco drilled 296 holes between 1978 and 1985, also discovering five areas of gold mineralization along Ratto Ridge which contain partially developed gold resources. These areas are located at South Lookout Mountain, Pinnacle Peak, Triple Junction, South Ratto Ridge, and South Adit. In 1986, while Amselco was in process of becoming BP Minerals, Amselco management optioned the Lookout Mountain Deposit to a joint venture of three companies, which then owned Norse-Windfall Mines.

In 1990, EFL Gold Mines took bulk samples from the floor of the Lookout Mountain pit. These samples returned assay values ranging from 0.10 to 0.135 opt gold. EFL also drilled nine holes, two of which penetrated 500 feet (152 meters) into the floor of the pit, that showed both oxide and sulfide gold mineralization.

During the period 1992-1993, Barrick Gold completed geologic mapping, took more than 500 soil samples to expand and fill in Amselco's soil grid, and drilled 42 widely spaced holes, primarily along Ratto Ridge. Drilling targeted favorable stratigraphy at depth near fault intersections. Nevada Gold discovered that geochemical anomalies were apparently controlled by E-NE and N-NW to NW trending cross structures which intersect the north-to-south trending Ratto Ridge Fault. Much of the Nevada Gold work focused on the potential in Cambrian Dunderberg Shale and Hamburg Dolomite east of the Ratto Ridge Fault, and potential in the Devonian Nevada Group, especially the Bartine Limestone west of the fault. Outcrops of Bartine Limestone in the area show weak gold mineralization, strong alteration, and anomalous pathfinder element geochemistry. Nevada Gold drilled 42 holes to a maximum depth of approximately 1,300 feet (400 meters) and encountered several gold intercepts.

Work by Barrick Gold also included airborne and ground geophysics and a stratigraphic and geochemical study in conjunction with geologic mapping to develop and prioritize several target areas. Approximately 800 rock samples were collected and had high-quality multi-element analyses at MB Associates in California and Activation Laboratories in Canada. However, their work on the various geological and geochemical targets, or additional drilling in areas of known mineralization previously discovered by Amselco, apparently found insufficient mineralization to meet Barrick Gold's objectives. It should be noted that the potential for mineralization west of the Ratto Ridge was not significantly explored during this period.

Echo Bay (1993-95) not only worked Ratto Ridge but also acquired additional ground to the north, south, and southwest. They conducted mapping, sampling, and scattered drilling in the area, exploring deep high-grade potential in the Cambrian Dunderberg Shale and Hamburg Dolomite, and testing Devonian Nevada Group targets west of the Ratto Ridge Fault. Echo Bay drilled several promising holes, including drill hole EBR 27, which intersected 110 feet (34 m) grading 0.043 opt gold in the Dunderberg, and drill hole EBR-9 which intersected 115 feet (35 m) grading 0.043 opt gold in the Nevada Group. Offsets of EBR-9 found 90 feet grading 0.028 opt gold, and another hole, which was lost before reaching planned depth, found 45 feet (14 m) of 0.024 opt gold. Further offsets of EBR-9 and several widely spaced holes averaging 1,000 feet (305 m) deep (EBR 15, 16, 17, 18, and 20) found some anomalous gold along Ratto Ridge but no major intercepts. Eventually, the Echo Bay project totaled 104 RC holes. Faced with depletion of budgets with no significant exploration success, the decline in gold prices and large land payments, Echo Bay decided to drop the property.

Paiute Project, an Immaterial Property:

The Paiute Project (formerly referred to as the ICBM Project) is located 6.5 miles due west of Battle Mountain, in the Battle Mountain Mining District, Lander and Humboldt Counties, Nevada. The property consists of 1,346 acres (2.1 square miles) on BLM-administered lands. Paiute is not a material project to the Company.

Timberline originally acquired the project in 2010 through acquisition of Staccato Gold, who controlled the project as a non-core asset along with the flagship Eureka Project. Staccato controlled the project through an earn-in joint venture (JV) agreement with Lac Minerals (LAC) (the "Pathfinder – LAC Agreement"), a subsidiary of Barrick Gold. Timberline acted as operator of the project through November 2013 earning a 73.7% interest in the project, with LAC holding the remaining interest. The terms of the Pathfinder-LAC Agreement were as follows:

- No mandatory work commitments are included;
- As operator, Timberline proposes work budgets with a 30-day option for pro-rata participation by LAC;
- If LAC chooses to not participate, ownership dilutes on a pro-rata basis (based on $300,000 earn-in for 60% of the project); and
- If diluted project equity reaches 10% or less, LAC converts to a 2% NSR royalty.

Historical exploration demonstrated that gold mineralization is present on the property in styles of mineralization currently being mined elsewhere in the Battle Mountain district including at the Fortitude/Phoenix complex to the south and Lone Tree to the west. An analysis of historical data led to recognition that the property also has porphyry copper-gold characteristics similar to Newmont's nearby historical Copper Basin mine.

Although Timberline controlled the project, as a non-core asset no exploration was completed between 2010 and December, 2013. In December of 2013, Timberline and LAC entered into an agreement with Americas Gold Exploration, Inc. (AGEI) to continue exploration at the project. Under the terms of the agreement, AGEI could earn up to a 51% ownership position in the property and the joint venture by making certain exploration expenditures over a four-year period. If AGEI earned an initial 51% interest, LAC agreed to withdraw from the Joint venture in exchange for a 5% Net Proceeds royalty and to amend the agreement allowing AGEI to increase its equity interest by 19% by making additional exploration expenditures with Timberline retaining the balance of ownership. AGEI also assumed the role as operator of the joint venture. AGEI did not materially advance the property during its option period. The Pathfinder-LAC Agreement also expired during this period, and property ownership was split at 74.1% Timberline and 25.9% LAC in accordance with the earned-interests as of that date.

On August 14, 2018, Timberline finalized the re-acquisition of a controlling interest in the property from AGEI along with the contiguous Elder Creek property as part of a two-property acquisition from AGEI.

Timberline continued to self-fund the project and as of 2018, and under the terms of the Joint venture would have earned a 75.4% interest in the project. LAC's parent company, Barrick, is now the operator of Nevada Gold Mines (NGM), a Nevada joint venture between Barrick and Newmont. NGM operates the nearby Fortitude/Phoenix Complex and Lone Tree Mines.

On November 28, 2018, the Company announced completion of a NI 43-101 Technical Report on the Paiute copper-gold project. The report provides a comprehensive description of the project. The Paiute Project has no known reserves, as defined under Regulation S-K Subpart 1300, and the proposed program for the property is exploratory in nature.

Exploration and Mining History

Battle Mountain Gold Company and its predecessors held the Paiute property through the early 1990s and drilled nine RC holes within the current claim block. A best intercept of 100 feet (30.5 m) with 925 ppb gold was noted in their drilling.

LAC re-located the claims in late 1992 and conducted basic field work in 1993 that included geologic mapping, rock and soil sampling, and ground magnetics. In late 1994 they completed a nine-hole RC drilling program to test the main soil anomalies on the property. One drill hole reported 20 feet (6.1 m) of 0.038 opt (1.18 g/t) gold from 20 to 40 feet (6.1 - 12.2 m) that was associated with a narrow vein-like structure in the Harmony Formation.

Pathfinder Exploration joint ventured the property from LAC in early 1995 and completed infill mapping and sampling and target definition. First pass drilling intersected a 200 feet (61m) zone of 411 ppb gold in drill hole ICBM-95-1 within a quartz-actinolite-sulfide veined granodiorite stock or sill. Follow-up RC drilling by Pathfinder in 1996 was highlighted by hole 96-5 which intersected sericitized, chloritized, amphibole-rich monzonite/granodiorite porphyry with secondary biotite from 450-490 feet (137.1 – 179.8m). Mineralization within the last 15.1 feet (4.6 m) of the hole averaged 0.035 opt Au (1.24 g/t) and was accompanied by increased silicification and sulfides (chalcopyrite, pyrite, arsenopyrite).

Petrographic work by Larson (1996) identified silicified, sulfidic (pyrite, chalcopyrite), quartz/calcite veined quartz monzonite porphyry, Cambrian sandstone/quartzite (Harmony Formation) and diabase lithologies, along with a skarn dominant monzonite or granodiorite porphyry with "significant percentages of pyrite, chalcopyrite, and chalcocite".

Geology of the Paiute Project Area

In the Paiute Project area, the Dewitt Thrust Fault places Ordovician Valmy Formation cherts and shales on top of Cambrian Harmony Formation quartz- and feldspathic-sandstones and shales, which are locally calcareous. The Harmony Formation is intruded by seven Cretaceous to Tertiary age granitic to granodioritic intrusives. An older Devonian or Ordovician diabase intrusive is exposed in the southwest part of the project and surrounding area.

At Paiute, the granitic to granodiorites intrusives occur as high-level plugs, stocks, dikes and sills. Thermal metamorphism associated with the intrusions produced hornfels, quartzite and skarn in the Harmony Formation sediments. Hydrothermal alteration associated with the intrusions consists of argillization, silicification, quartz veining/stockwork that is accompanied by zones of hydrous iron oxides as fracture fillings, disseminations, and occasional gossans. Chlorite and actinolite occur locally within quartz veins and may represent retrograde metamorphism. Quartz veining occurs throughout the project area and increases in intensity within the alteration zones.

A series of echelon structures and sub-parallel faults define a strong N 10-20° E - striking structural zone through the central part of the property that extends approximately 16,500 feet in length and up to 1,500 feet in width. This fault zone is well defined by field mapping and is the dominant northeast trending feature. Secondary northwest and north striking faults cut the northeast-striking structures. Locally, the structures are occupied by granodiorite porphyry dikes. The structures are typically altered and mineralized.

Previous explorers of the Paiute Project have collected 1,283 soil samples and 301 rock samples in the area and analyzed many of them for 14 elements. Copper, gold, arsenic and bismuth trace element anomalies in soils and rocks occur along the N10-20°E structural zone. A north-northwesterly (N20°W)-trending zone of elevated copper and gold occurs where increased fracturing and actinolitic alteration of the rocks is spatially associated with intrusives near Pathfinder drill-hole 96-5.

Garwin (2014) described the major styles of mineralization in the Paiute area as calc-alkaline, porphyry copper-gold, and gold-bearing structurally controlled vein systems. The main gold mineralized zone on the property is coincident with the N10-20°E structural zone.

Where the rock is not oxidized, fresh disseminated and vein pyrite is pervasive throughout the project area. Pyrite is the most abundant sulfide and occurs within the bleached zones coincident with alteration and structural zones. Pyrrhotite is nearly as abundant as pyrite and occurs both within and adjacent to alteration and structural zones. Arsenopyrite appears to be closely related to alteration and occurs only within the alteration zones.

2018-2019 Timberline Exploration

Exploration expenditures for FY 2018 were limited to geological field reviews, rock grab sampling and assays to characterize surface mineral showings. In addition, an application was submitted to the BLM, with receipt thereafter, of an approved Notice of Intent (NOI) to allow disturbance related to construction of drill roads and pads. The BLM approved the application and the property was fully permitted for road construction and drilling. Work during FY2019 included continued data compilation and review in preparation for drilling planned for FY2020.

Paiute Project Activity during Fiscal Year 2020:

Drilling at Paiute was initiated in the 1st quarter of FY2020, and with assay results announced on January 16, 2020 for our first two drill holes. Drilling intercepted long intervals of disseminated gold mineralization in granodiorite porphyry and metamorphosed sandstone (Figure 15, Table 6). Both RC holes were terminated in hard, silicified and mineralized rock.

Hole PCRC 19-01 intercepted 125 feet (38 m) grading 0.012 opt (0.36 g/t) gold with associated pyrrhotite-pyrite-arsenopyrite in silicified, metamorphosed arkosic sandstone. The hole bottomed in 160 ft (49 m) of silicified granodiorite porphyry. The previously identified 2 km-long gold "Lone Tree-type" structural zone remains largely untested below the 500 feet (152m) depth of historic drilling and is entirely untested over an interval of approximately 500 meters along the trend of the zone. The structural zone includes surface rock chip samples which previously returned multiple values greater than 1.0 g/t of gold including two samples over 0.322 opt (10 g/t) gold and one sample with 1.38 opt (42.9 g/t) gold and 16.9 opt (527 g/t) silver (see Company news release dated May 24, 2018 at *http://timberlineresources.co/press-releases*).

Table 6. 2019 Drill Hole Assay Results

Drill Hole	From (feet)	To (feet)	Interval (feet)	From (meters)	To (meters)	Interval (meters)	Au (g/t)	Ag (g/t)	As (ppm)	Ba (ppm)	S (%)
PCRC19-01	295	420	125	89.9	128.0	38.1	**0.356**	0.4	673	266	**1.5**
including:	340	420	80	103.6	128.0	24.4	**0.442**	0.5	968	185	**1.9**
PCRC19-02	0	710 (TD)	710	0.0	216.4	216.4	**0.271**	0.5	72	**849**	**0.3**
including:	0	40	40	0.0	12.2	12.2	**0.606**	0.9	292	**648**	**0.0**
	110	140	30	33.5	42.7	9.1	**0.488**	0.5	43	**872**	**0.1**
	150	230	80	45.7	70.1	24.4	**0.514**	0.4	27	**1123**	**0.2**
	190	215	25	57.9	65.5	7.6	**1.123**	0.6	12	**1280**	**0.2**
	280	390	110	85.3	118.9	33.5	**0.359**	0.3	39	**720**	**0.2**
	490	500	10	149.4	152.4	3.0	**0.511**	0.1	30	**1070**	**0.2**
	525	545	20	160.0	166.1	6.1	**0.340**	0.2	20	**598**	**0.3**
	610	640	30	185.9	195.1	9.1	**0.400**	1.0	33	**1023**	**0.8**
	685	710	25	208.8	216.4	7.6	**0.478**	0.8	38	**680**	**0.6**

**True thickness of drill intercepts is unknown. **TD: drill hole total depth*

PCRC 19-02 twinned and deepened historical hole ICBM-95-06, which intercepted gold mineralization within highly silica-altered, sulfide-poor (trace – 1% pyrite) granodiorite porphyry. The hole intercepted multiple zones of gold mineralization in granodiorite porphyry and metamorphosed arkosic sandstone, including 40 ft (12 m) of 0.020 opt (0.61 g/t) gold, 80 ft (24 m) of 0.016 opt (0.51 g/t) gold, 25 ft (8 m) of 0.036 opt (1.12 g/t) gold, and 25 ft (8 m) of 0.025 opt (0.48 g/t) gold over its 710 feet (216 m) length and bottomed in mineralization. The mineralization in PCRC 19-02 expands on multiple intercepts in nearby historic holes (see Table 7). Management believes that the Paiute Project has the potential for bulk-mineable, open-pit gold mineralization based on the near surface thicknesses and gold grades drilled to date.

During FY 2020 year the Company also acquired historical IP and magnetic geophysical survey data to further guide future drill targeting of the under-tested structural zone and largely un-tested porphyry gold targets.

Timberline conducted no work on the Paiute Project during fiscal years 2021, 2022, or 2023 but all BLM and county claim fees have been paid in full.

Table of Contents

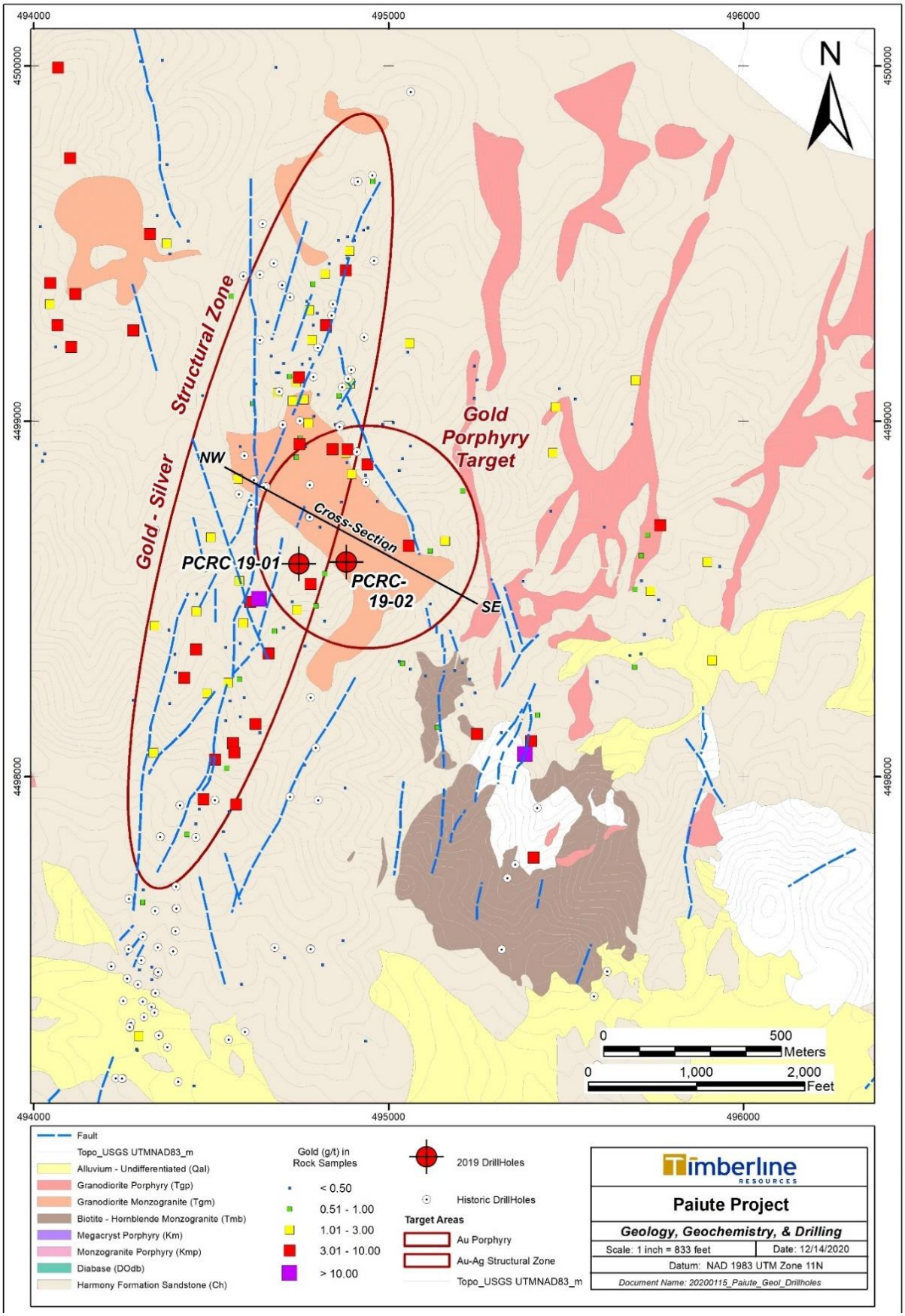

Figure 15. Paiute Project Geology and Primary Target Areas

Table 7. Summary of Historic Porphyry-Hosted Drilling Gold Assay Results

Drill Hole	From (feet)	To (feet)	Interval (feet)	From (meters)	To (meters)	Interval (meters)	Au (g/t)
ICBM 95-1	260	295	35	79.2	89.9	10.7	0.831
	320	350	30	97.5	106.7	9.1	0.552
	385	460	75	117.3	140.2	22.9	0.462
ICBM 96-3	45	65		13.7	19.8	6.1	0.431
	345	370	25	105.2	112.8	7.6	0.497
	405	415	10	123.4	126.5	3.0	**1.000**
	480	580	100	146.3	176.8	30.5	0.962
ICBM 96-3C	221	246	25	67.4	75.0	7.6	0.626
	455	465	10	138.7	141.7	3.0	**1.276**
	475	505	30	144.8	153.9	9.1	0.609
	996	1001	5	303.6	305.1	1.5	**3.655**
ICBM 96-4	340	370	30	103.6	112.8	9.1	0.683
ICBM 96-5	90	100	10	27.4	30.5	3.0	0.741
	320	350	30	97.5	106.7	9.1	0.377
	575	590	15	175.3	179.8	4.6	**1.501**
3899	10	180	170	3.0	54.9	51.8	0.695
3632	0	100	100	0.0	30.5	30.5	0.945
	350	400	50	106.7	121.9	15.2	0.55
4062	30	60	30	9.1	18.3	9.1	0.460
	220	260	40	67.1	79.2	12.2	0.644
4006	95	145	50	29.0	44.2	15.2	0.483
	280	300	20	85.3	91.4	6.1	0.948
3206	210	280	70	64.0	85.3	21.3	0.493

Seven Troughs Project, an Immaterial Property:

During the year ended September 30, 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 Seven Troughs Project is not a material project to the Company.

Our 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 has become 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. We have met our obligations under the lease and have located and secured agreements with the heirs to acquire any of their residual rights. We are moving to have the agreements adjudicated appropriately. We have the option to purchase one-half of the NSR production royalty for $1 million.

Seven Troughs is an epithermal gold district recognized as yielding some of the highest gold production grades in Nevada history through small-scale operations in the early 20th century. We believe the district has the potential to host a large precious metals system similar to the high-grade gold and silver veins of Japan's world-renowned Hishikari epithermal gold mine.

We are under no obligation to make exploration expenditures at Seven Troughs. Since acquiring the property, we have compiled historical mine workings data and completed limited geologic mapping, and geochemical sampling within the district. The Company conducted no significant work on the ground during fiscal years 2020 - 2023, but all BLM and county claim fees have been paid in full. During FY2022, the Company entertained queries from outside parties about the project's availability and hosted visitors on site.

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. 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 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 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 cash payment in May 2022 and recorded it as a reduction to mineral rights during that period. At the time of this writing, the Company has extended the Memorandum of Agreement with NDY until April 2024.

New York Canyon, an Immaterial Property:

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. In conjunction with the purchase, the Company granted a 0.5% net smelter return royalty to the sellers. The combined purchase price will be capitalized in the first quarter of fiscal 2023 as a mineral property on the Company's balance sheet.

Wolfpack Gold Properties, Immaterial Properties:

With the acquisition of Wolfpack Gold ("WPG"), we acquired nine mineral properties in Nevada and one in California. We conducted a due diligence review on each property, including organization of the historical data and review of exploration work completed to-date. As of September 30, 2022, only claims on one property (Trail) have been retained, as they are contiguous with our Eureka project.

In 2017, we sold our property and royalty interests in various unpatented claims that were under lease to Pershing Gold. In addition, we sold various other royalty interests that WPG had retained through previous transactions in four other properties.

Overview of Regulatory, Economic and Environmental Issues

Hard rock mining in the United States is a closely regulated industrial activity. Mining operations are subject to review and approval by a wide variety of agencies at the federal, state, and local level. Each level of government requires applications for permits to conduct operations. The approval process always involves consideration of many issues including but not limited to air pollution, water use and discharge, noise issues, and wildlife impacts. Mining operations involve preparation of environmental impact studies that examine the probable effect of the proposed site development. Federal agencies that may be involved include: the USFS, BLM, EPA, NIOSH, MSHA, and FWS. Individual states also have various environmental regulatory bodies, such as Departments of Ecology and Departments of Environmental Quality. Local authorities, usually counties, also have control over mining activity.

Gold, silver, and copper are mined in a wide variety of ways, both in open pit and underground mines. Open pit mines require the gold deposit to be relatively close to the surface. These surface mineable deposits tend to be lower grade (such as 0.01-0.03 opt gold) and are mined using large, costly earth moving equipment, usually at very high tonnages per day. Modern open pit mines are typically very large excavations that require extensive engineering, planning, reclamation, and permitting.

Some open pit operations for gold in which the ores have bene oxidized involve heap leaching as a metallurgical method to remove the gold. Heap leaching involves stacking the ore on pads which are lined with an impenetrable under-surface, then sprinkling the ore with a weak cyanide solution to extract the gold. The gold-impregnated solution is collected and the gold recovered through further processing. Most new gold discoveries contain ores that are not suitable for heap leach processing. Often this is because the gold is associated with sulfide minerals such as pyrite. Extensive metallurgical testing is required to determine the optimum method for treating such ores, but sulfide ore deposits almost always require complex milling and processing plants.

Underground metal mines generally involve higher-grade ore bodies. Less tonnage is mined underground, and generally the higher-grade ore is processed in a mill or other refining facility. An underground mine may have much less visual impact on the land, but the mine design is complex and requires intensive study and careful engineering.

Gold processing plants often generate tailings (the residual material left behind after recovery of the gold-bearing minerals), which require permitted and engineered disposal facilities or tailings ponds. Mines and processing plants also often require extensive water treatment, which again will necessitate extensive interaction with the community and regulators during permitting.

Capital costs for mine, mill, and tailings pond construction can, depending upon the size of the operation, run into the hundreds of millions of dollars. These costs are factored into the profitability of a mining operation. Metal mining is sensitive to both cost considerations and to the value of the metal produced. Metals prices are set on a worldwide market and are not controlled by the operators of the mine. Changes in currency values or exchange rates can also impact metals prices. Changes in metals prices or operating costs can have a huge impact on the economic viability of a mining operation.

Environmental protection and remediation are increasingly important parts of mineral economics. Estimated future costs of reclamation or restoration of mined land are based principally on legal and regulatory requirements. Reclamation of affected areas after mining operations may cost millions of dollars. Often governmental permitting agencies are requiring multi-million-dollar bonds from mining companies prior to granting mining permits, to ensure that reclamation takes place. All environmental mitigation tends to decrease profitability of the mining operation, but these expenses are recognized as a cost of doing business by modern mining and exploration companies.

Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. We conduct our operations so as to protect the public health and environment and believe our operations follow applicable laws and regulations in all material respects. We have made, and expect to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures.

Every mining activity has an environmental impact. In order for a proposed mining project to be granted the required governmental permits, mining companies are required to present proposed plans for mitigating this impact. In the United States, where our properties are located, no mine can operate without obtaining a number of permits. These permits address the social, economic, and environmental impacts of the operation and include numerous opportunities for public involvement and comment.

We intend to focus on exploration and discovery of mineral resources. If we are successful, the ore bodies discovered will be attractive to production companies, or we will potentially bring the ore bodies to production ourselves. The mining industry, like agriculture, is a fundamental component of modern industrial society, and minerals of all sorts are needed to maintain our way of life. If we are successful in finding an economic ore body, be it gold or silver, sufficient value is expected to be created to reward our shareholders and allow for all production and reclamation expenses to be paid ourselves or by the actual producer to whom we convey, assign, or joint venture the project.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to any material pending legal proceedings, and no such proceedings are known to be contemplated.

No director, officer, or affiliate of Timberline and no owner of record or beneficial owner of more than 5.0% 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 pending litigation.

ITEM 4. MINE SAFETY DISCLOSURES

Pursuant to Section 1503(a) of the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act (The “Dodd-Frank Act”), 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. During the fiscal year ended September 30, 2023, our U.S. exploration properties were not 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”). The Company’s exploration operations received no notices, citations, or orders during the year pertaining to health and safety violations.

PART II

ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our common stock is quoted on the OTCQB under the trading symbol "TLRS". Our common stock also trades on the TSX-V in Canada under the trading symbol "TBR". Our common stock was listed and traded on the NYSE MKT exchange under the trading symbol "TLR" until February 15, 2016 when we voluntarily de-listed from the NYSE MKT and began trading on the OTCQB market on February 16, 2016. The high and low sale prices for our common stock as quoted on the OTCQB and the TSX-V were as follows:

	OTCQB(US$)		TSX-V (CDN$)	
Period[1]	High	Low	High	Low
2023				
First Quarter	$0.16	$0.10	$0.22	$0.14
Second Quarter	$0.14	$0.08	$0.19	$0.11
Third Quarter	$0.11	$0.06	$0.14	$0.08
Fourth Quarter	$0.07	$0.04	$0.09	$0.05
2022				
First Quarter	$0.21	$0.12	$0.28	$0.16
Second Quarter	$0.29	$0.13	$0.36	$0.17
Third Quarter	$0.28	$0.16	$0.36	$0.20
Fourth Quarter	$0.20	$0.11	$0.26	$0.14
2021				
First Quarter	$0.38	$0.24	$0.49	$0.31
Second Quarter	$0.38	$0.20	$0.49	$0.24
Third Quarter	$0.30	$0.19	$0.36	$0.24
Fourth Quarter	$0.25	$0.14	$0.32	$0.18

[1] Quarters indicate calendar year quarters.

The quotations on the OTCQB reflect inter-dealer prices without retail mark-up, mark-down, or commission and may not reflect actual transactions.

On September 30, 2023, the closing sale price for our common stock was USD$0.06 on the OTCQB and CDN$0.08 on September 30, 2023 on the TSX-V.

As of December 15, 2023, we had 174,246,152 shares of common stock issued and outstanding and approximately 591 registered shareholders. In many cases, shares are registered through intermediaries, making the precise number of shareholders difficult to obtain.

Dividend Policy

We anticipate that we will retain any earnings to support operations and to finance the growth and development of our business. Therefore, we do not expect to pay cash dividends in the foreseeable future. Any further determination to pay cash dividends will be at the discretion of our board of directors and will be dependent on the financial condition, operating results, capital requirements, and other factors that our board deems relevant. We have never declared a dividend.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

Stock Incentive Plans

The purpose of the Stock and Incentive Plan is to promote our interests and our Stockholders' interests by aiding us in attracting and retaining employees, officers, consultants, advisors and non-employee directors capable of ensuring the future success of our Company. Under the current 2018 Stock and Incentive Plan, as amended, we are authorized to issue up to 15,000,000 shares.

Equity Compensation Plans

The following summary information is presented as of September 30, 2023.

	Number of securities to be issued upon exercise of outstanding options, warrants, and rights (a)	**Weighted-average exercise price of outstanding options, warrants, and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by security holders[(1)]	6,035,000[(1)]	$0.17	8,965,000
Equity compensation plans not approved by security holders	Not applicable	Not applicable	Not applicable
TOTAL	6,035,000[(1)]	$0.17	8,965,000

(1) See "Stock Incentive Plans," above.

There were no options exercised during the years ended September 30, 2023 and September 30, 2022.

Sale of Unregistered Securities

All unregistered sales of equity securities during the period covered by this Annual Report were previously disclosed in our current reports on Form 8-K and our Quarterly Reports on Form 10-Q.

ITEM 6. SELECTED FINANCIAL DATA

Not Applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing elsewhere in this report. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those set forth under "Risk Factors and Uncertainties" and elsewhere in this document. ***See "Cautionary Note Regarding Forward-Looking Statements" above.***

Overview

We are an exploration company, using tried and proven methods to search for gold, silver, and other metals as become indicated, on properties located in the State of Nevada in the Western United States. Our significant properties consist of our Eureka Projects (Lookout Mountain, Windfall, Oswego and other targets) in the Battle Mountain - Eureka Trend located in the North-Central portion of the state, and the Seven Troughs Project, located in the Northwest portion of the state.

We raised funds to acquire and explore these properties through private placements of our common stock and warrants with investors, through debt placements, and through joint venture arrangements with other mining exploration and development companies in our business sector. Our business plans employ strategies to locate and analyze gold and silver properties to determine the existence, quantity and quality of mineral deposits and advance those deposits for the benefit of our shareholders.

We may seek to develop those properties ourselves or engage larger mining companies to purchase, develop, joint venture and otherwise exploit the properties for the purpose of production of these discovered precious metals.

Fiscal 2023 Accomplishments

Technical Report Summary and Updated Loockout Mountain Gold Resources:

During the 2023 fiscal year, RESPEC Company LLC completed a mineral resource estimate and an initial Technical Report Summary (TRS) for the Lookout Mountain gold deposit. The TRS and mineral resource disclosure is a requirement S-K 1300, which governs US mining projects. The updated mineral resource estimate is summarized in Table 2 below. The resource estimate has been constrained by optimized open pits utilizing revenue and cost inputs as summarized in the Notes to Table 2 below.

Table 2. Updated Lookout Mountain Project Gold Resources

Measured			Indicated			Measured & Indicated		
Tons	oz Au/ton	oz Au	Tons	oz Au/ton	oz Au	Tons	oz Au/ton	oz Au
2,555,000	0.036	93,000	23,267,000	0.014	330,000	25,819,000	0.017	423,000

Inferred		
Tons	oz Au/ton	oz Au
7,322,000	0.011	84,000

Notes:

- The Mineral Resources are comprised of oxidized model blocks that lie within optimized pits at a cutoff grade of 0.005 oz Au/ton plus unoxidized blocks within the optimized pits at a 0.055 oz Au/ton cutoff.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- The Mineral Resources are potentially amenable to open pit mining methods and are therefore constrained by optimized pits created using a gold price of US$1,800/oz, a throughput rate of 10,000 tons/day, assumed metallurgical recoveries of 80% for heap-leaching of oxidized materials and 86% for toll milling of unoxidized materials, a mining cost of US$2.50/ton, heap-leaching processing cost of $3.60/ton, toll milling cost of $80.00/ton, general and administrative costs of $0.83/ton processed, a reclamation cost of $0.25/ton processed, refining cost of $3.00/oz Au produced, and an NSR royalty of 3.5%. This study does not constitute an Initial Assessment under S-K 1300.
- The effective date of the resource estimate is December 31, 2022.
- Rounding may result in apparent discrepancies between tons, grade, and contained metal content.
- Technical Report Summary is authored by Steven Osterberg, PhD, PG (Timberline's qualified person) and RESPEC Company LLC of Reno, Nevada

The S-K 1300 mineral resource estimate reflects our first limited economic analysis on the project. The TRS documents much work that has been accomplished over the last several years at Lookout Mountain, including initial metallurgical, environmental, and engineering studies. Advancing the deposit to pit-constrained resources has also identified opportunities for growth and optimization of the project towards economic viability. The recommendations from this study, as well as the exciting developments in the district, highlight the potential growth for both gold and silver at the Eureka Project.

In November 2023 the Company released the updated mineral resource estimate (MRE) for the Lookout Mountain gold deposit under Canadian National Instrument (NI) 43-101, Companion Policy 43-101CP, and Form 43-101F1, which is a Canadian Securities Administrators' requirement for mining projects governing the disclosure of mineral reserves and resources.

2023 Lookout Mountain Project Gold Exploration:

The FY 2023 exploration program continued to focus primarily on exploration drilling in the Water Well Zone (WWZ) to test the extent of the gold mineralization at the contact between the Dunderberg and Hamburg formations. Three drill holes from the 2022 - 2023 drill program tested the southern end of the WWZ, constituting approximately 3,670 feet (1,119m) out of the 21,856 feet (6,662 m) program. The Company reported these results during early calendar year 2023. This drilling continued to confirm the consistent presence of gold mineralization at the key contact, but the results also encountered numerous faults that complicate the WWZ deposit – resulting in apparent gaps, as well as zones of enrichment, in the mineralization. Timberline geologists believe that recent drilling is within the footprint of a significant discovery at the WWZ, and the best potential for expansion by surface drilling lies to the east (downdip) and south.

Assay highlights from the three FY 2023 drillholes in the southern WWZ are included below (using a cutoff grade of 0.3 g/t for gold):

- BHSE-225C: 29.0m at 1.06 grams per tonne (g/t) gold from 294.7m depth, including
  - 9.1m at 2.17 g/t gold from 305.4m depth; and
  - 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
  - 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
  - 7.6m at 1.3 g/t gold from 314.6m depth; and
  - 1.5m at 3.65 g/t gold from 314.6m depth.

Additional exploration drilling completed early in FY 2023 tested the northern limits of the WWZ and its association with the Lookout Mountain gold resource. Four drillholes, constituting approximately 5,960 feet (1,817m) of the approximately 21,850 feet (6,662m) drill program, began in 2022 and finished in 2023.

Four drillholes in the northern WWZ encountered significant gold mineralization, while two holes intersected significant lead-zinc-silver, including drillhole BHSE-237C which cut more than 200m of strongly enriched silver. Assay highlights from the drilling include (using cutoff grades of 0.3 g/t for gold and 1.0 g/t for silver):

- BHSE-238C: 16.8m at 2.64 grams per tonne (g/t) gold from 178.9m depth, including
  - 4.6m at 4.45 g/t gold from 182.0m depth;
- BHSE-221C: 6.1m at 1.83 g/t gold from 332.8m depth, including
  - 1.5m at 3.59 g/t gold from 335.9m depth;
- BHSE-239C: 9.4m at 1.09 g/t gold from 194.5m depth;
- BHSE-239C: 6.1m at 1.33 g/t gold from 313.0m depth;
- BHSE-239C: 3.1m at 3.77 g/t gold from 439.5m depth;
- BHSE-221C: 35.1m at 10.1 g/t silver from 329.8m depth;
- BHSE-237C: 79.2m at 8.2 g/t silver from 297.8m depth; and
- BHSE-237C: 30.5m at 12.2 g/t silver from 393.8m depth.

The overlapping CTG gold and older CRD silver mineralization is becoming characteristic of the Eureka area, as is now in evidence at various places along more than 8 km of the trend from i80 Gold's Ruby Hill Mine in the north to the WWZ in the south.

2023 Exploration Permitting at Lookout Mountain

Permitting at Lookout Mountain was also advanced during 2023. Field activities such as exploration drilling are completed at Lookout Mountain under the provisions of an exploration Plan of Operations (PoO) initially approved by the BLM in 2010 and subject to annual Work Plan Amendments. In 2023, to support ongoing exploration, our environmental consultant completed an updated cultural resources field review to avoid potential site-specific impacts caused by drill-activities. Field work by archeologists was completed in 2022 with follow-up analysis including review by the State Historic Preservation Office (SHPO) continuing into 2023. A final report was submitted to the BLM in July 2023. Based on the field review, the number and cumulative size of sites which will require additional site-specific screening and potential mitigation prior to completion of drilling activities has been reduced. Management does not consider the avoidance areas to be a significant impediment to planned exploration activities as they are typically small areas around which drill sites and access roads can be positioned.

2023 Priorities for District Exploration – Carlin-type Gold and Carbonate Replacement Deposits:

Ongoing analysis of district exploration data has defined three primary target areas for Timberline at Eureka: New York Canyon, Windfall Trend, and Lookout-WWZ-Oswego areas. These target areas, or sub-districts, include the potential for discovery of additional Carlin-type gold and gold-bearing carbonate-replacement deposits.

2023 New York Canyon Target

During Q3/FY2023, the Company completed acquisition of additional fractional interests in three of nine patented claims previously acquired at New York Canyon. At New York Canyon, rocks sampled from Ordovician Hanson Creek formation outcrops carry high-grade gold and silver. Selected rock samples collected on and around the patented claims yielded gold assays of 55, 32, 23.3, 22.5, and 14.95 g/t and silver assays of 750, 582.5, 558, 555, and 299 g/t. There are small historical mines and prospects over the area, which further highlight the prospectivity. However, this area remains undrilled because these patented claims have been held by private parties for many years and never consolidated by one company.

Maps, tables and figures in Part I of this Annual Report include these results reported for the Company's fiscal year 2023.

Summary of gold prices

Fiscal year 2023 has seen continuing strong trends in the gold price from a low of approximately $1,628 to a high of approximately $2,048 per ounce, with a trend moving around $1,871 per ounce at year end. We believe the global economic environment and monetary climate continue to favor a strong gold price for the foreseeable future. While volatility is to be expected, our expectation is that we can identify and pursue opportunities to advance our projects and take advantage of the current gold price and market volatility.

Exploration Plans and Budgets

Our exploration focus during fiscal 2024 will continue to be on the Eureka Project. Our financial and human resources will be dedicated to the advancement of the Lookout Mountain, Water Well, Oswego, and other targets across the property. The results of our drilling, mapping, geochemical and geophysical work completed during fiscal years 2020 and 2021 exploration seasons significantly advanced our understanding of the overall geologic setting of the Eureka Project, highlighting several areas with potential for significant gold mineralization. The drilling results of fiscal 2022 significantly added to the geology and mineralization of our target areas in the Eureka Project and the analysis performed during fiscal 2023 expanded our understanding of the drill results from prior years, which will guide our fiscal 2024 exploration plan.

Execution of any 2024 exploration activities will be contingent upon our ability to secure additional financing prior to the exploration season. Our preliminary exploration budget for fiscal 2024 is expected to exceed $3.0 million, funded largely by additional financing activities as we enter into the new 2024 calendar year. Details of the exploration plan for fiscal 2024 will follow anticipated financing successes, which will determine the nature and extent of an exploration program.

Results of Operations for Years Ended September 30, 2023 and 2022

Consolidated Results

	Year Ended September 30,	
	2023	**2022**
Exploration expenses:		
Eureka/Lookout Mountain, net of non-cash expenses	1,022,032	$ 4,614,490
Total exploration expenditures	1,022,032	4,614,490
Non-cash expenses:		
Stock option and stock issuance expense	84,962	44,321
Depreciation, amortization, and accretion	6,860	5,912
Total non-cash expenses	91,822	50,233
Operating expenses paid in cash:		
Salaries and benefits, net of non-cash expenses	281,128	293,097
Professional fees expense	213,348	181,811
Other general and administrative expenses	516,420	551,815
Interest and other (income) expense, net of non-cash expenses	55,594	270,461
Income tax provision (benefit)	-	-
Net loss	$ 2,180,344	$ 5,961,907

Our consolidated net loss for the fiscal year ended September 30, 2023 decreased significantly from the prior year, primarily as a result of our decreased exploration program during fiscal year ended September 30, 2023 compared to the same period of 2022, which included significant increases in drilling and geophysical activities during fiscal year ended September 30, 2022. We also experienced significant increases in shared-based compensation. Professional fees expenses were higher as a result of increased utilization of financial professionals during fiscal 2023. General and administrative expenses decreased. Other expenses for fiscal 2023 were significantly lower than the prior year.

Financial Condition and Liquidity

At September 30, 2023, we had assets of $14,795,875, consisting of cash of $98,224, property, mineral rights and equipment, net of depreciation, of $14,155,178, reclamation bonds of $528,643, and other assets in the amount of $13,830.

On September 30, 2023, we had total liabilities of $358,095 and total assets of $14,795,875. This compares to total liabilities of $1,157,467 and total assets of $16,972,229 on September 30, 2022. As of September 30, 2023, our liabilities consist of $144,040 for asset retirement obligations and $214,055 of trade payables and accrued expenses. Of these liabilities, $214,055 are due within 12 months. The decrease in liabilities compared to September 30, 2023 is largely due the senior unsecured note payable - related party and accrued interest payable – related party that was paid during September 30, 2023. The decrease in total current assets was due to a decrease in cash.

On September 30, 2023, we had negative working capital of $107,701 and stockholders' equity of $14,437,780 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 a decrease in cash with other liabilities affected positively or negatively by individual small changes in other components of liabilities.

During the fiscal year ended September 30, 2023, we used cash from operating activities of $2,626,470, compared to $5,325,134 used for fiscal 2022. There was a net loss of $2,180,344 for fiscal 2023 compared to a net loss of $5,961,907 for fiscal 2022. The causal factors are disclosed above in the comparative table and discussion above.

At the end of fiscal 2023, Timberline Resources Corp has accumulated approximately $58.3 million and $22.9 million in federal and state net operating losses, respectively, which may enable us to generate like amounts in net income prior to incurring any significant income tax obligation. Federal net operating losses of $44.8 million will expire in various amounts from 2024 through 2038, while $13.5 million do not expire and the usage of these loss carryforwards is limited to 80% of taxable income. The state net operating losses will expire in fiscal years ending September 30, 2023 through September 30, 2043.

Additionally, BH Minerals has total federal net operating loss carryforwards of approximately $25.8 million, of which $15.8 million expire in fiscal years ending September 30, 2025 through September 30, 2038. Federal net operating loss carryforwards of $10.0 million will not expire and the usage of these loss carryforwards is limited to 80% of taxable income.

At September 30, 2022, the Company also has approximately $6.7 million in net operating loss carryforwards in Canada which will expire in fiscal years ending September 30, 2024 through September 30, 2032.

During the fiscal year ended September 30, 2023, we used cash of $161,302 from investing activities, compared with cash used by investment activities of $149,717 in fiscal 2022. During fiscal 2023, we paid $161,302 to purchase mineral rights. During fiscal 2022, we paid $209,770 to purchase mineral properties, while receiving a refund of reclamation bonds of $10,053, and a non-refundable payment per a memorandum of understanding for sale of mineral rights of $50,000.

During the fiscal year ended September 30, 2023, cash of $447,409 was provided by financing activities, compared to cash of $4,586,086 provided during the fiscal year ended September 30, 2022. For the fiscal year ended September 30, 2023, cash of $718,400 was provided through the sale of stock, net of offering costs, and we used $270,991 for payments of debt. This compares to cash of $4,439,587 provided through the sale of stock and warrants, net of offering costs and $146,499 was provided from exercise of warrants for the fiscal year ended September 30, 2022.

Going Concern:

These consolidated financial statements have been prepared on the basis that the Company will continue as 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 September 30, 2023, we had negative working capital of $107,701. We have $214,055 outstanding in current liabilities and a cash balance of $98,224. As of the date of this Annual Report on Form 10-K, we do not have sufficient cash to meet our normal

operating commitments for the next 12 months. Therefore, we expect to be required to engage in financial transactions to increase our cash balance or decrease our cash obligations in the near term. 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 audit opinion and notes that accompany our consolidated financial statements for the year ended September 30, 2023 disclose a 'going concern' qualification to our ability to continue in business. The accompanying consolidated financial statements have been prepared under the assumption that we will continue as a going concern. We have incurred losses since our inception. We do not have sufficient cash to fund normal operations and meet all of our obligations for the next 12 months without deferring payment on certain current liabilities and/or raising additional funds. The 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

Private Placements:

On August 30, 2023, we closed a non-brokered private placement of the Company to accredited investors at a price of $0.05 per unit. Units consist of one common share and one-half class O warrant shares. We issued 14,570,000 common shares for cash proceeds of $728,500. Finders fees in the amount of $10,100 were paid to licensed brokers and consultants in association with the offering. The warrants have a term of three years and are exercisable at $0.08 per common share.

On May 2, 2022, we closed a non-brokered private placement of the Company to accredited investors at a price of $0.25 per common share. We issued 18,933,705 common shares for cash proceeds of $4,733,426. Finders fees in the amount of $293,839 and 1,016,022 Series N Warrants were paid and issued, respectively, to licensed brokers and consultants in association with the offering. The warrants have a term of 18 months and are exercisable at $0.25 per common share.

The private placement offerings were completed under Rule 506(b) of Regulation D promulgated by the SEC under the Securities Act of 1933, as amended, solely to persons who qualified as accredited investors. Subscribers who were resident in Canada were required to qualify as accredited investors under Canadian National Instrument 45-106 Prospectus Exemptions.

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.

Subsequent Events

On December 27, 2023, we closed a $630,000 non-brokered private placement offering of units of the Company at a price of $0.04 per unit solely to persons who qualify as accredited investors under Rule 506(b) of Regulation D under the Securities Act of 1933, as amended. Each unit consists of one share of our common stock and one four-year warrant, with each warrant exercisable to acquire one share of our common stock at a price of $0.06 per share. A total of 15,750,000 common shares and 15,750,000 warrants were issued.

Critical Accounting Policies and Estimates

See Note 2 to our consolidated financial statements contained in Item 8 of this Annual Report for a complete summary of the significant accounting policies used in the presentation of our financial statements. As described in Note 2, we are required to make estimates and assumptions that affect the reported amounts and related disclosures of assets, liabilities, revenue, and expenses. We believe that our most critical accounting estimates are related to asset impairments and asset retirement obligations.

Our critical accounting policies and estimates are as follows:

Asset Impairments

Significant property acquisition payments for active exploration properties and the fair value of equity instruments, including common shares and warrants, issued for properties are capitalized. The evaluation of our mineral properties for impairment is based on market conditions for minerals, underlying mineralized material associated with the properties, and future costs that may be required for ultimate realization through mining operations or by sale. If no mineable ore body is discovered, or market conditions for minerals deteriorate, there is the potential for a material adjustment to the value assigned to mineral properties.

We review the carrying value of long-lived assets for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment or abandonment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the asset. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the asset is used, and the effects of obsolescence, demand, competition, and other economic factors.

Asset Retirement Obligations

We have an obligation to reclaim our properties after the surface has been disturbed by exploration methods at the site. As a result, we have recorded a liability for the fair value of the reclamation costs we expect to incur in association with our Eureka Property. We estimate applicable inflation and credit-adjusted risk-free rates, as well as expected reclamation time frames. To the extent that the estimated reclamation costs change, such changes will impact future reclamation expense recorded. A liability is recognized for the present value of estimated environmental remediation (asset retirement obligation) in the period in which the liability is incurred, if a reasonable estimate of fair value can be made. The offsetting balance is charged to the related long-lived asset. Adjustments are made to the liability for changes resulting from passage of time and changes to either the timing or amount of the original present value estimate underlying the obligation.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 8. FINANCIAL STATEMENTS

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

September 30, 2023 and 2022

Timberline Resources Corporation and Subsidiaries

Contents

Assure CPA
Committed to Quality

Assure CPA, LLC
7307 N. Division, Suite 222
Spokane, WA 99208
Main | 509.535.3503
Fax | 509.535.9391
www.assure.cpa

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Timberline Resources Corporation

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Timberline Resources Corporation (the "Company") as of September 30, 2023 and 2022, the related consolidated statements of operations, changes in stockholders' equity and cash flows for each of the years in the two-year period ended September 30, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the two-year period ended September 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

The Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has accumulated losses since inception. This factor raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the

consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

Assure CPA, LLC

Assure CPA, LLC

We have served as the Company's independent auditor since 2006.

Spokane, Washington
December 29, 2023
Firm ID: 444

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	September 30, 2023	September 30, 2022
ASSETS		
CURRENT ASSETS:		
Cash	$ 98,224	$ 2,438,587
Prepaid expenses and other current assets	8,130	18,444
TOTAL CURRENT ASSETS	106,354	2,457,031
PROPERTY, MINERAL RIGHTS, AND EQUIPMENT, net (NOTE 3)	14,155,178	13,980,855
OTHER ASSETS:		
Reclamation bonds	528,643	528,643
Deposits and other assets	5,700	5,700
TOTAL OTHER ASSETS	534,343	534,343
TOTAL ASSETS	$ 14,795,875	$ 16,972,229
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 83,867	$ 639,994
Accrued expenses	6,245	22,214
Accrued interest – related party (NOTE 5)	-	57,966
Accrued payroll, benefits and taxes	123,943	42,143
Senior unsecured note payable – related party (NOTE 5)	-	270,991
TOTAL CURRENT LIABILITIES	214,055	1,033,308
LONG-TERM LIABILITIES:		
Asset retirement obligation	144,040	124,159
TOTAL LONG-TERM LIABILITIES	144,040	124,159
TOTAL LIABILITIES	358,095	1,157,467
COMMITMENTS AND CONTINGENCIES (NOTES 5 and 10)	-	-
STOCKHOLDERS' EQUITY: (NOTE 8)		
Preferred stock, $0.01 par value; 10,000,000 shares authorized, none issued and outstanding	-	-
Common stock, $0.001 par value; 500,000,000 shares authorized, 174,246,152 and 159,676,152 shares issued and outstanding, respectively	174,246	159,676
Additional paid-in capital	90,744,432	89,955,640
Accumulated deficit	(76,480,898)	(74,300,554)
TOTAL STOCKHOLDERS' EQUITY	14,437,780	15,814,762
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 14,795,875	$ 16,972,229

See accompanying notes to consolidated financial statements.

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended September 30, 2023	Year Ended September 30, 2022
OPERATING EXPENSES:		
Mineral exploration	$ 1,022,032	$ 4,614,490
Salaries and benefits	366,091	337,418
Professional fees	213,348	181,811
Insurance	167,003	160,004
Other general and administrative	356,276	397,723
TOTAL OPERATING EXPENSES	2,124,750	5,691,446
LOSS FROM OPERATIONS	(2,124,750)	(5,691,446)
OTHER INCOME (EXPENSE):		
Other income	551	218
Foreign exchange gain (loss)	6,080	(215,019)
Interest expense	(3,590)	-
Interest expense – related party	(58,635)	(55,660)
TOTAL OTHER EXPENSE	(55,594)	(270,461)
LOSS BEFORE INCOME TAXES	(2,180,344)	(5,961,907)
INCOME TAX PROVISION (BENEFIT)	-	-
NET LOSS	$ (2,180,344)	$ (5,961,907)
NET LOSS PER SHARE, BASIC AND DILUTED	$ (0.01)	$ (0.04)
WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED	163,348,590	149,730,321

See accompanying notes to consolidated financial statements.

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
Balance, September 30, 2021	**139,696,022**	**$ 139,696**	**$ 85,345,213**	**$ (68,338,647)**	**$ 17,146,262**
Common stock issued for exercise of warrants	1,046,425	1,046	145,453	-	146,499
Common stock issued for cash, net	18,933,705	18,934	4,420,653	-	4,439,587
Stock-based compensation	-	-	44,321	-	44,321
Net loss	-	-	-	(5,961,907)	(5,961,907)
Balance, September 30, 2022	**159,676,152**	**$ 159,676**	**$ 89,955,640**	**$ (74,300,554)**	**$ 15,814,762**
Common stock issued for cash and warrants, net	14,570,000	14,570	703,830	-	718,400
Stock-based compensation	-	-	84,962	-	84,962
Net loss	-	-	-	(2,180,344)	(2,180,344)
Balance, September 30, 2023	**174,246,152**	**$ 174,246**	**$ 90,744,432**	**$ (76,480,898)**	**$ 14,437,780**

See accompanying notes to consolidated financial statements.

TIMBERLINE RESOURCES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended September 30, 2023	Year Ended September 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (2,180,344)	$ (5,961,907)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock-based compensation	84,962	44,321
Accretion of asset retirement obligation	6,860	5,912
Changes in assets and liabilities:		
Prepaid expenses and other current assets	10,314	5,129
Accounts payable	(556,127)	525,175
Accrued expenses	(15,969)	(1,535)
Accrued interest – related party	(57,966)	53,821
Accrued payroll, benefits and taxes	81,800	3,950
Net cash used by operating activities	(2,626,470)	(5,325,134)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of mineral rights	(161,302)	(209,770)
Refund of reclamation bonds	-	10,053
Deposit received on potential sale of mineral rights	-	50,000
Net cash used by investing activities	(161,302)	(149,717)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock and warrants, net	718,400	-
Proceeds from sale of common stock, net	-	4,439,587
Proceeds from exercise of warrants	-	146,499
Payment on senior unsecured note payable – related party	(270,991)	-
Net cash provided by financing activities	447,409	4,586,086
Net decrease in cash	(2,340,363)	(888,765)
CASH AT BEGINNING OF YEAR	2,438,587	3,327,352
CASH AT END OF YEAR	$ 98,224	$ 2,438,587
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 120,191	$ 1,839

See accompanying notes to consolidated financial statements.

Timberline Resources Corporation
Notes to Consolidated Financial Statements

NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS:

Timberline Resources Corporation ("Timberline", "Timberline Resources" 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.

Timberline Resources, together with its consolidated entities, is a mineral exploration business and, if and when we establish mineral reserves, a development company. Mineral exploration is essentially a research activity that does not produce a product. Successful exploration often results in increased project value that can be realized through the optioning or selling of the claimed site to larger companies. We have acquired properties which we believe have potential to host economic concentrations of minerals, particularly gold and silver. These acquisitions have and may take the form of unpatented mining claims on federal land, or leasing claims on private property owned by others. An unpatented mining claim is an interest that can be acquired in the mineral rights on open lands of the federally-owned public domain.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. *Basis of Presentation and Going Concern* – This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America ("GAAP") and have been consistently applied in the preparation of the financial statements.

The accompanying 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 does not have sufficient cash to fund normal operations and meet all of its obligations for the next 12 months without raising additional funds. 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. The Company's plans include financing its future operations through sales of common stock and/or debt and the eventual profitable exploitation of its mining properties. See Note 11 *Subsequent Events.* 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 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 financial statements, adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used.

b. *New Accounting Pronouncements* – The Company adopted no new accounting pronouncements during the periods reported. Other 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 consolidated financial statements upon adoption.

c. *Principles of Consolidation* – The 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. *Property and Equipment* – Property and equipment are stated at cost. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets, which ranges from two to seven years. Maintenance and repairs are charged to operations as incurred. Significant improvements are capitalized and depreciated over the useful life of the assets. Gains or losses on disposition or retirement of property and equipment are recognized in operating expenses.

e. *Mineral Rights, Capitalization and Exploration Expenditures* – All exploration expenditures are expensed as incurred. Significant property acquisition payments for exploration properties are capitalized, including mineral lease payments. If no mineable ore body is discovered, the Company determines to focus its exploration efforts elsewhere, claims fees and holding fees are not remitted, or for other reasons, previously capitalized costs are expensed in the period the property is abandoned. When it is determined that a mineral deposit can be economically developed as a result of establishing proven and probable reserves, the costs incurred after such determination will be capitalized and amortized over their useful lives. To date, the

Company has not established the commercial feasibility of its exploration prospects; therefore, all exploration costs are being expensed. When a mineral property is sold or abandoned, the net of the sales price of the property and its carrying cost are recognized as a gain or loss on sale or abandonment on the Statement of Operations.

f. *Property Holding Costs* – Holding costs to maintain a property are expensed in the period they are incurred. These costs include security and maintenance expenses, claim fees and payments, and environmental monitoring and reporting costs.

g. *Fair Value Measurements* – When required to measure assets or liabilities at fair value, the Company uses a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used. The Company determines the level within the fair value hierarchy in which the fair value measurements in their entirety fall. The categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Level 1 uses quoted prices in active markets for identical assets or liabilities, Level 2 uses significant other observable inputs, and Level 3 uses significant unobservable inputs. The amount of the total gains or losses for the period are included in earnings that are attributable to the change in unrealized gains or losses relating to those recurring assets and liabilities still held at the reporting date.

At September 30, 2023 and 2022, the Company had no assets or liabilities accounted for at fair value on a recurring basis or nonrecurring basis.

The carrying amounts reported in the consolidated balance sheets for cash, accounts payable, accrued liabilities, interest payable – related party, senior unsecured note payable – related party, all of which qualify as financial instruments, are a reasonable estimate of fair value because of the short period of time between the origination of such instruments and their expected realization and current market rate of interest.

h. *Cash Equivalents* – For the purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Balances are insured by the Federal Deposit Insurance Corporation up to $250,000 for accounts at each financial institution.

i. *Reclamation Bonds* – Bonds paid to assure reclamation of properties covered by exploration permits are capitalized in the period paid, reduced as refunds are received or expensed as they are applied to reclamation obligations.

j. *Estimates and Assumptions* – The preparation of financial statements in accordance with GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management assumptions and estimates relate to long-lived asset impairments, asset retirement obligations, and stock-based compensation. Actual results could differ from these estimates and assumptions and could have a material effect on the Company's reported financial position and results of operations.

k. *Accounting for Investments in Joint Ventures* - Investments in companies and joint ventures in which we have the ability to exercise significant influence, but do not control, are accounted for under the equity method of accounting. In determining whether significant influence exists, the Company considers its participation in policy-making decisions and representation on governing bodies. Under the equity method of accounting, our share of the net earnings or losses of the investee are included in net income (loss) in the consolidated statements of operations. We evaluate equity method investments whenever events or changes in circumstance indicate the carrying amounts of such investments may be impaired. If a decline in the value of an equity method investment is determined to be other than temporary, a loss is recorded in earnings in the current period. As changes in ownership percentage of our investments occur, the Company assesses whether we can exercise significant influence and account for under the equity method. If there is a change in our ownership percentage of a company or venture in which we have an investment, we recognize a gain or loss on the investment in the period of change. The Company has no investments accounted for under the equity method.

For joint ventures where the Company holds more than 50% of the voting interest and has significant influence, the joint venture is consolidated with the presentation of non-controlling interest. In determining whether significant influence exists, the Company considers its participation in policy-making decisions and its representation on the venture's management committee.

For joint ventures in which the Company does not have joint control or significant influence, the cost method is used. For those joint ventures in which there is joint control between the parties, the equity method is utilized whereby the Company's share of the ventures' earnings and losses is included in the Statement of Operations as earnings in joint ventures and its investments therein are adjusted by a similar amount. The Company periodically assesses its investments in joint ventures

for impairment. If management determines that a decline in fair value is other than temporary it will write-down the investment and charge the impairment against operations.

l. *Asset Impairments - Carrying Value of Property, Mineral Rights and Equipment* – The Company reviews the carrying value of property, mineral rights, and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the related assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, the effects of obsolescence, demand, competition, and other economic factors.

m. *Asset Retirement Obligations* – Guidance provided by GAAP states that the fair value of a liability for an asset retirement obligation ("ARO") will be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made and a contractual obligation exists. An ARO asset is capitalized as part of the carrying value of the assets to which it is associated, and depreciated over the useful life of the asset. Adjustments are made to the liability for changes resulting from passage of time and changes to either the timing or amount of the original estimate underlying the obligation. The Company has an asset retirement obligation associated with its exploration program at the Lookout Mountain Target on its Eureka Project, and its Paiute Project.

n. *Provision for Income Taxes* – Income taxes are provided based upon the liability method of accounting. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against the deferred tax asset, if management believes it is more likely than not that some portion or all of the deferred tax assets will not be realized (see Note 7).

Uncertain tax positions are evaluated in a two-step process, whereby (i) it is determined whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the related tax authority would be recognized.

o. *Translation of Foreign Currencies* – All amounts in the financial statements are presented in US dollars, and the US dollar is the Company's functional currency. The Company has a Canadian subsidiary, but this subsidiary has no operations, assets, or liabilities in Canada for the years ended September 30, 2023 and 2022, respectively. The US-based operations of the Company incur certain expenses in Canada, and the foreign translation and transaction gains and losses relating to such expenses incurred in Canada have been included in the Company's net loss as a component of other income (expense).

p. *Stock-based Compensation* – The Company estimates the fair value of its stock-based option compensation, and warrants when issued, using the Black-Scholes model, which requires the input of some subjective assumptions. These assumptions include estimating the length of time holders will retain their vested stock options before exercising them ("expected life"), the estimated volatility of the Company's common stock price over the expected term ("volatility"), employee forfeiture rate, the risk-free interest rate and the dividend yield. Changes in the subjective assumptions can materially affect the estimate of fair value of stock-based compensation. Options that are forfeited or expired are returned to the pool of options available for grant with no effect on the Company's Statement of Operations, but fair values are reduced from deferred share-based compensation in the calculation of current or deferred income tax assets or obligations.

The fair value of common stock awards is determined based upon the closing price of the Company's stock on the grant date of the award. Compensation expense for grants that vest is recognized ratably over the vesting period.

q. *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 potentially dilutive common shares as of September 30, 2023 and 2022 is as follows:

	2023	2022
Stock options	6,035,000	8,335,000
Warrants	12,051,022	57,414,898
Total potential dilution	18,086,022	65,749,898

At September 30, 2023 and 2022, 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, equipment and accumulated depreciation at September 30, 2023 and 2022:

	Expected Useful Lives (years)	2023	2022
Mineral rights – Eureka	-	$ 13,729,838	$ 13,647,838
Mineral rights – Seven Troughs, New York Canyon and other	-	248,227	168,925
ARO Asset	-	125,636	112,615
Total mineral rights		14,103,701	13,929,378
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		175,305	175,305
Less accumulated depreciation		(123,828)	(123,828)
Property, mineral rights, and equipment, net		$ 14,155,178	$ 13,980,855

Mineral rights at Eureka increased by $82,000 for advanced royalty payments to Rocky Mountain Mining Company for Lookout Mountain during the year ended September 30, 2023 and 2022. Depreciation expense for the years ended September 30, 2023 and 2022, 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 one-half of the NSR production royalty for $1 million for the entirety of the lease term.

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 option was extended for an additional indefinite period to allow for additional actions to clear technical title issues, expected to occur in the second quarter of fiscal 2024. 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 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.

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 first quarter of fiscal 2023, the Company capitalized a purchased interest in 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. During fiscal 2023, the Company purchased an interest in additional patented claims within the New York Canyon claim block from private parties for $68,369.

NOTE 4 – RELATED-PARTY TRANSACTIONS:

Mr. William Matlack, a director of the Company, is the holder of the note described in Note 5.

Mr. Donald McDowell, a director of the Company, performs geological consulting services for the Company, for which he received compensation of $7,000 and $60,750 in the fiscal years ended September 30, 2023 and 2022, respectively.

NOTE 5 – SENIOR UNSECURED NOTES PAYABLE – RELATED PARTY:

On July 30, 2018, prior to him becoming a significant shareholder and director, the Company entered into a loan agreement and promissory note with William Matlack. Mr. Matlack loaned the Company $300,000 in the form of a senior unsecured note, with the principal bearing interest at an annual rate of 18%, compounded monthly. The loan is unsecured and had a maturity date of January 20, 2023, which was extended to July 20, 2023. During fiscal 2021, the Company repaid $29,009 of principal along with $220,991 of interest. At September 30, 2022, the note balance was $270,991. During fiscal 2023, the Company paid the note in full; principal of $270,991 and interest of $116,601, with all discounts fully amortized.

The accrued interest on the senior unsecured note payable – related party was $nil and $57,966 at September 30, 2023 and September 30, 2022, respectively. Interest expense related to the senior unsecured note payable to this related party was $58,635 and $55,660 for the fiscal years ended September 30, 2023 and 2022, respectively.

NOTE 6 – ASSET RETIREMENT OBLIGATION:

Remediation, reclamation and mine closure costs are based principally on legal and regulatory requirements. Management estimates costs associated with reclamation of mining properties as well as remediation costs for inactive properties. The Company uses assumptions about future costs, capital costs and reclamation costs. Such assumptions are based on the Company's current mining plan and the best available information for making such estimates.

On an ongoing basis, management evaluates its estimates and assumptions; however, actual amounts could differ from those based on such estimates and assumptions. Changes to the Company's asset retirement obligation on its mineral properties are as follows:

		2023		2022
Beginning balance	$	124,159	$	118,247
Change in asset retirement obligation estimate		13,021		-
Accretion expense		6,860		5,912
Ending balance	$	144,040	$	124,159

The insignificant change recorded in the asset retirement obligation during the year ended September 30, 2023 relates to the additional acres of land that was disturbed during the year ended September 30, 2022 on the Company's Eureka claims. There was no significant disturbance of acres during fiscal 2023.

NOTE 7 – INCOME TAXES:

At September 30, 2023 and 2022, the Company did not record a tax provision or benefit due to continuing losses and availability of net operating loss carry forwards.

At September 30, 2023 and 2022, the Company had deferred tax assets arising principally from net operating loss carryforwards for income tax purposes. As the Company's management cannot determine that it is more likely than not that the Company will realize the benefit of the net deferred tax asset, a valuation allowance equal to 100% of the net deferred tax asset has been recorded at September 30, 2023 and 2022.

The components of the Company's deferred taxes at September 30, 2023 and 2022 are as follows:

Timberline Resources Corp.		2023		2022
Net deferred tax assets:				
Exploration costs	$	50,000	$	127,000
Investments in subsidiaries		181,000		184,000
Share-based compensation		228,000		362,000
Federal and state net operating loss carryforwards		13,294,000		12,163,000
Foreign net operating loss carryforwards		1,803,000		1,803,000
Total deferred tax asset		15,556,000		14,639,000
Valuation allowance		(15,556,000)		(14,639,000)
Net deferred tax asset	$	-	$	-
BH Minerals USA, Inc.				
Net deferred tax assets (liabilities):				
Property, mineral rights, and equipment	$	(2,258,000)	$	(2,260,000)
Exploration costs		336,000		255,000
Federal and state net operating loss carryforwards		5,428,000		5,353,000
Total deferred tax asset		3,506,000		3,348,000
Valuation allowance		(3,506,000)		(3,348,000)
Net deferred tax asset	$	-	$	-

The federal income taxes of the Company's wholly owned subsidiary, BH Minerals USA, Inc., are not consolidated with those of the rest of the Company since BH Minerals USA, Inc. is wholly owned by the Company's Canadian subsidiary, Staccato Gold Resources Ltd.

The annual tax benefit is different from the amount that would be provided by applying the statutory federal income tax rate to the Company's pretax loss for the following reasons:

	2023	2022
Net Loss	$ (2,180,000)	$ (5,962,000)
Statutory Federal income tax rate	21.0%	21.0%
Expected income tax benefit based on statutory rate	(458,000)	(1,252,000)
Effect of state taxes	(81,000)	(61,000)
Effect of change in tax rates	89,000	-
Change in valuation allowance	1,075,000	1,308,000
Prior year change in estimates	(625,000)	5,000
Income tax provision	$ -	$ -

At September 30, 2023, Timberline Resources Corp had total federal net operating loss carryforwards of approximately $58.3 million, of which $44.8 million expire in fiscal years ending September 30, 2024 through September 30, 2038. Federal net operating loss carryforwards of $13.5 million will not expire and the usage of these loss carryforwards is limited to 80% of taxable income. State net operating losses total approximately $22.7 million and will expire in fiscal years ending September 30, 2023 through September 30, 2043.

BH Minerals has total federal net operating loss carryforwards of approximately $25.8 million, of which $15.8 million expire in fiscal years ending September 30, 2025 through September 30, 2038. Federal net operating loss carryforwards of $10.0 million will not expire and the usage of these loss carryforwards is limited to 80% of taxable income.

At September 30, 2023, the Company also has approximately $6.7 million in net operating loss carryforwards in Canada which will expire in fiscal years ending September 30, 2024 through September 30, 2032.

The Company has not identified any unrecognized tax benefits. If interest and penalties were to be assessed, the Company would charge interest to interest expense, and penalties to other operating expense. Fiscal years 2020 through 2023 remain subject to examination by state and federal tax authorities. The Company has reviewed its tax returns and believes the Company has not taken any unsubstantiated tax positions. Tax attributes from years prior to that can be adjusted as a result of examination.

IRS Code Section 382 limits the loss and credit carryforwards in the event of an "ownership change" of a corporation. The equity placement activities during the year ended September 30, 2023 did not give rise to an ownership change under Section 382.

As a result of previous acquisitions, the Company acquired approximately $15,000,000 of federal net operating loss carryovers that are limited by Code Section 382. As of September 30, 2023, the Company has not determined if any other losses are limited by IRS Code Section 382.

NOTE 8 – COMMON STOCK, WARRANTS AND PREFERRED STOCK:

The Company is authorized to issue 500,000,000 common shares.

Private Placements

On August 30, 2023, we closed a non-brokered private placement of the Company to accredited investors at a price of $0.05 per unit. Units consist of one common share and one-half class O warrant shares. We issued 14,570,000 common shares for cash proceeds of $728,500. Finders fees in the amount of $10,100 were paid to licensed brokers and consultants in association with the offering. The warrants have a term of three years and are exercisable at $0.08 per common share.

On May 2, 2022, the Company closed a non-brokered private placement of the Company to accredited investors at a price of $0.25 per common share. The Company issued 18,933,705 common shares for cash proceeds of $4,733,426. Finders fees in the amount of $293,839 and 1,016,022 Series N Warrants were paid and issued, respectively, to licensed brokers and consultants in association with the offering. The warrants have a term of 18 months and are exercisable at $0.25 per common share.

Warrants

Total warrants of 7,285,000 Series O Warrants and 1,016,022 Series N warrants were issued in association with the private placement offerings during the fiscal years ended September 30, 2023 and 2022, respectively. Total warrants of 52,648,876 and

16,271,016 expired during the fiscal years ended September 30, 2023 and 2022, respectively. There were 12,051,022 and 57,414,898 warrants outstanding as of September 30, 2023 and 2022, respectively.

The following is a summary of warrants as of September 30, 2023:

	Shares	Exercise Price ($)	Expiration Date
Series C Warrants: (Issued for Private Placement)			
Outstanding and exercisable at September 30, 2021	2,880,867	0.45	October 31, 2022
Outstanding and exercisable at September 30, 2022	2,880,867		
Expired	(2,880,867)		
Outstanding and exercisable at September 30, 2023	-		
Series E Warrants: (Issued for Private Placement)			
Outstanding and exercisable at September 30, 2021	6,825,000	0.14	October 29, 2021
Expired	(6,825,000)		
Outstanding and exercisable at September 30, 2022 and 2023	-		
Series G Warrants: (Issued for Mineral Property Purchase)			
Outstanding and exercisable at September 30, 2021	5,000,000	0.24	December 18, 2021
Expired	(5,000,000)		
Outstanding and exercisable at September 30, 2022 and 2023	-		
Series H Warrants: (Issued for Private Placement)			
Outstanding and exercisable at September 30, 2021	5,992,441	0.14	March 22, 2022
Exercised	(1,546,425)		
Expired	(4,446,016)		
Outstanding and exercisable at September 30, 2022 and 2023	-		
Series J Warrants: (Issued for Private Placement)			
Outstanding and exercisable at September 30, 2021	3,750,000	0.12	October 15, 2024
Outstanding and exercisable at September 30, 2022	3,750,000		
Outstanding and exercisable at September 30, 2023	3,750,000		
Series K Warrants: (Issued for Extension of Unsecured Note Payable)			
Outstanding and exercisable at September 30, 2021	4,000,000	0.08	January 20, 2023
Outstanding and exercisable at September 30, 2022	4,000,000		
Expired	(4,000,000)		
Outstanding and exercisable at September 30, 2023	-		
Series L Warrants: (Issued for Private Placement)			
Outstanding and exercisable at September 30, 2021	33,636,362	0.20	August 15, 2023
Outstanding and exercisable at September 30, 2022	33,636,362		
Expired	(33,636,362)		
Outstanding and exercisable at September 30, 2023	-		
Series M Warrants: (Issued for Private Placement)			
Outstanding and exercisable at September 30, 2021	12,131,647	0.30	May 21, 2023
Outstanding and exercisable at September 30, 2022	12,131,647		
Expired	(12,131,647)		
Outstanding and exercisable at September 30, 2023	-		
Series N Warrants: (Issued for Private Placement)			
Issued May 2, 2022	1,016,022	0.25	November 2, 2023
Outstanding and exercisable at September 30, 2022	1,016,022		
Outstanding and exercisable at September 30, 2023	1,016,022		
Series O Warrants: (Issued for Private Placement)			
Issued August 30, 2023	7,285,000	0.08	August 31, 2026
Outstanding and exercisable at September 30, 2023	7,285,000		
Weighted average remaining contractual term is 2.1 years at September 30, 2023			
Warrants outstanding and weighted average exercise price at September 30, 2023	12,051,022	0.11	

Preferred Stock

The Company is authorized to issue up to 10,000,000 shares of preferred stock, $0.01 par value. The Company's board of directors is authorized to issue the preferred stock from time to time in series, and is further authorized to establish such series, to fix and determine the variations in the relative rights and preferences as between series, to fix voting rights, if any, for each

series, and to allow for the conversion of preferred stock into common stock. There was no preferred stock issued as of September 30, 2023 and 2022.

NOTE 9 – STOCK-BASED AWARDS:

During the year ended September 30, 2019, the Company's shareholders approved, and the Company's Board of Directors adopted, the Company's 2018 Stock and Incentive Plan. This plan replaced the Company's 2015 Equity Incentive Plan. The aggregate number of shares that could be issued to employees, directors, and consultants under all stock-based awards made under the 2018 Stock and Incentive Plan was 8 million shares of the Company's common stock.

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 fair value of the Company's stock at the date of grant.

On October 8, 2020, the Company granted a total of 750,000 options to purchase shares of the Company's common stock that vest over a three-year period. These vesting options had a total fair value of $177,284, with $44,322 recognized immediately and $44,321 being recognized in each of following three years covered by the vesting period. An additional 350,000 options with the same terms were also granted on this date that vested immediately with a total fair value of $82,700.

The share-based compensation for the option awards granted during 2021 recognized during the years ended September 30, 2023 and 2022 was $84,962 and $44,321, respectively. Unrecognized compensation of $3,679 will be recognized during the first quarter of fiscal year 2024. All stock based compensation recognized in the years ended 2023 and 2022 are included in salaries and benefits.

The following is a summary of the Company's options issued under the Amended 2005 Equity Incentive Plan, the 2015 Stock and Incentive Plan and the 2018 Stock and Incentive Plan:

	Options		Weighted Average Exercise Price
Outstanding at September 30, 2022	8,335,000		0.18
Expired	(2,300,000)		
Outstanding at September 30, 2023	6,035,000	$	0.17
Exercisable at September 30, 2023	5,847,500	$	0.17
Average remaining contractual term of options outstanding and exercisable at September 30, 2023 (years)			1.82
Intrinsic value of options outstanding at September 30, 2023		$	-
Intrinsic value of options exercisable at September 30, 2023		$	-

NOTE 10 – 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 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. These claims payments are included in exploration expense. Should the Company continue to explore all of the Company's mineral properties, it expects annual fees to total $236,277 per year in the future.

NOTE 11 – SUBSEQUENT EVENTS:

On December 27, 2023, the Company closed a $630,000 non-brokered private placement offering of units of the Company at a price of $0.04 per unit solely to persons who qualify as accredited investors under Rule 506(b) of Regulation D under the Securities Act of 1933, as amended. Each unit consists of one share of common stock of the Company and one four-year warrant, with each warrant exercisable to acquire one share of common stock of the Company at a price of $0.06 per share. A total of 15, 750,000 common shares and 15,750,000 warrants were issued.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Conclusions of Management Regarding Effectiveness of Disclosure Controls and Procedures

At the end of the period covered by this Annual Report on Form 10-K, 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 had been 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 presentation 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 September 30, 2023. 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 September 30, 2023, the Company's internal control over financial reporting is effective.

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 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 were fully in place during 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 September 30, 2023.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Directors and Executive Officers

The following table sets forth certain information with respect to our current directors and nominees, executive officers and key employees. The term for each director expires at our next Annual Meeting or until his or her successor is appointed and qualified. The ages of the directors and officers are shown as of December 20, 2023.

Name	Current Office	Principal Occupation	Director/Officer Since	Age
Patrick Highsmith[1]	President & Chief Executive Officer and Director	Mining Executive, Geologist & Geochemist	October 8, 2020	56
Steven Osterberg[2]	VP- Exploration and Director, former President & Chief Executive Officer	VP – Exploration, Geologist	February 1, 2012	63
Ted R. Sharp	Chief Financial Officer, Principal Financial Officer	Chief Financial Officer, Founder and Owner of Sharp Executive Associates, Inc., Certified Public Accountant	September 10, 2018	67
Leigh Freeman[3]	Director	Principal, Leigh Freeman Consultancy	January 18, 2013	74
Donald McDowell	Former VP Corporate Development and Director	President of Americas Gold Exploration Inc.	June 21, 2018	64
William Matlack	Director	Geologist	October 29, 2019	69
Pamela Saxton [3]	Director	Professional Director	May 6, 2021	71

1) Mr. Highsmith was appointed President and Chief Executive Officer on October 8, 2020, and was appointed to the Board of Directors on January 1, 2021.
2) Mr. Osterberg was appointed VP- Exploration on October 8, 2020, was former President and Chief Executive Officer appointed on January 19, 2016 and resigned from those positions on October 8, 2020.
3) "Independent" in accordance with Rules 121 and 803A of the NYSE American Company Guide.
4) On August 7, 2023, the Board voted to not renew Mr. McDowell's contract as VP – Corporate Development. He remains a member of the Board.

The following is a description of the business background of the directors and executive officers of Timberline Resources Corporation:

Leigh Freeman – Chairman of the Board of Directors

Mr. Freeman was appointed to the Board of Directors (the "Board) in January 2013. He has over 40 years of experience in the mining industry. At present, he is Principal with Leigh Freeman Consultancy. Mr. Freeman has served in technical, managerial and executive positions with junior and senior mining and service companies. He was a co-founder, President and Director of Orvana Minerals and also held several positions with Placer Dome. Mr. Freeman also serves on the industry advisory board for the mining programs at the University of Arizona, Montana Tech and South Dakota School of Mines. In addition, he co-chaired the Education Sustainability Committee for the Society of Mining Engineers.

For the following reasons the Board concluded that Mr. Freeman should serve as a director and Chairman of the Board of Directors of the Company, in light of its business and structure. Mr. Freeman's technical and management experience in mining and mineral exploration enables him to provide operating and management insight to the Board. Further, his training and experience as a geological engineer allow him to bring technical expertise to the Board as a director. These skills were determined by the Board to be valuable to the Board, as the Company's primary assets are exploration stage properties.

Patrick Highsmith - President, Chief Executive Officer and Director

Mr. Highsmith has more than 30 years of international experience including operational, exploration and business development roles with major companies such as Newmont Mining, BHP, Rio Tinto, and Fortescue Metals Group. He also has co-founded, and/or acted as a director or senior executive in several junior companies. His junior company pedigree includes Canadian listed companies such as: Lithium One, Bellhaven Copper & Gold, Pure Energy Minerals, Idaho Champion Gold Mines, and FireFox Gold, for whom he is co-founder and chairman of the board. Mr. Highsmith has been involved with several significant discoveries and helped add value to those projects through various stages of economic advancement, partnerships, joint ventures, or sales. He has a long history with Chairman Leigh Freeman and VP Exploration Steven Osterberg. Patrick holds degrees in Geological Engineering and Economic Geology (Geochemistry) from the Colorado School of Mines. He has specialized technical expertise in gold, copper, and lithium exploration. Mr. Highsmith was appointed to the Board effective January 1, 2021.

For the following reasons the Board concluded that Mr. Highsmith should serve as a director of the Company, in light of its business and structure. Mr. Highsmith's technical and management experience in mining and mineral exploration enables him to provide operating and management insight to the Board. Further, his training and experience as a geological engineer allow him to bring technical expertise to the Board as a director. These skills were determined by the Board to be valuable to the Board, as the Company's primary assets are exploration stage properties.

Donald McDowell – former VP-Corporate Development and Director

Mr. Donald McDowell has served as the founding President of Americas Gold Exploration Inc. since October 2008. He was the President of Great American Minerals Inc. from January 2000 to October 2008. Mr. McDowell is a mineral exploration executive with over 25 years of business, mineral exploration, and development experience with a specific focus on the Great Basin in Nevada. Mr. McDowell's experience includes 17 years with major corporations including Nippon Mining of Japan, Santa Fe Pacific Gold and Kennecott Exploration, where he was involved in exploration, resource/reserve evaluations and mine development. He was also the founder, president and director of Great American Minerals Inc. from April 2003 until its sale in 2007. From 1997 to 1999, he was a co-founding officer and Director of Golden Phoenix Minerals, Inc., a publicly held natural resources company. Mr. McDowell is a registered professional land surveyor in the state of California.

For the following reasons the Board concluded that Mr. McDowell should serve as a director of the Company, in light of its business and structure. Mr. McDowell's extensive management experience in mineral exploration companies and background in mineral projects enable him to provide operating and leadership insights to the Board as a director. Further, his experience with other exploration companies allows him to bring a wide range of senior expertise in regard to mineral exploration to the Company. These skills were determined by the Board to be valuable to the Board, as the Company's primary assets are exploration stage properties.

On August 7, 2023, the Board voted to not renew Mr. McDowell's contract as VP – Corporate Development. He remains a member of the Board.

William Matlack - Director

On October 29, 2019, our Board of Directors appointed Mr. Matlack as a director of the Company. Mr. Matlack is a veteran geologist over a 20-year career in the mining industry, working primarily with Santa Fe Pacific Gold Corp. (now Newmont Mining) and Gold Fields. Mr. Matlack was involved in the exploration and development of several world-class gold discoveries in Nevada and California. Later, he was an equity research analyst in metals & mining with Citigroup and BMO Capital Markets, and an investment banker in metals & mining with Scarsdale Equities. He was interim CEO and a director of Klondex Mines Limited during its transformation from an explorer to gold producer in Nevada. Mr. Matlack currently serves on the board of Silver Bull Resources, Inc. since March 2023.

For the following reasons the Board concluded that Mr. Matlack should serve as a director of the Company, in light of its business and structure. Mr. Matlack holds the Accredited Director designation, ICSA Canada. He is financially literate by virtue of his background as a metals & mining equity research analyst. His extensive geological, and management experience in mineral exploration companies, and background in gold exploration and development projects enable him to provide operating and leadership insights to the Board. These skills were determined to be valuable to the Board, as the Company's primary assets are exploration-stage properties.

Pamela Saxton – Director

On May 4, 2021, our Board of Directors appointed Ms. Pamela Saxton as a director of the Company, effective May 6, 2021. Ms. Saxton is an accredited accountant and recognized finance leader with more than 35 years of domestic and international experience in the mining, software, and oil and gas industries. Ms. Saxton currently serves on the board of Bunker Hill Mining Corporation since November 2020. Ms. Saxton also served on the board of Aquila Resources Inc. from June 2019 until it was

acquired in September 2021, and Pershing Gold Corporation from November 2017 until it was acquired in April 2019. Ms. Saxton also served on a North American advisory board for Damstra Holdings Limited – Damstra Technology, from February 2021 until October 2022. Ms. Saxton has held senior executive finance positions at several mining and oil and gas companies, most recently serving as Executive Vice President and Chief Financial Officer of Thompson Creek Metals Company Inc. from August 2008 to October 2016. Prior to 2008, Ms. Saxton was Vice President Finance—U.S. Operations of Franco-Nevada Corporation, Vice President and Chief Financial Officer of New West Gold Corporation, Vice President and Controller of Amax Gold Inc. and Assistant Controller of Cyprus Amax Minerals Inc. Ms. Saxton also was the Vice President of Finance, Corporate Controller and Chief Accounting Officer for J.D. Edwards & Company. Ms. Saxton began her career with Arthur Andersen & Company after receiving her Bachelor of Science in Accounting from the University of Colorado. Since September 1987, she has served as a Trustee and since January 2017 serves as Vice President for the Viola Vestal Coulter Foundation, which provides scholarships to various colleges and universities, with a focus on mining. She is also the Past Chair of the Board for the Colorado Association of Commerce and Industry, a state chamber of commerce.

For the following reasons the Board concluded that Ms. Saxton should serve as a director and Chair of the Audit Committee of the Company, in light of its business and structure. Ms. Saxton is an independent director and is a financial expert given her extensive financial background and management experience in mining and exploration companies. In addition to Ms. Saxton's industry knowledge, she has a strong grasp of internal controls over financial reporting and accounting and financial reporting issues and critical accounting policies. These skills were determined to be valuable to the Board, as the Company's primary assets are exploration-stage properties.

Steven Osterberg – VP-Exploration, former President, Chief Executive Officer

Dr. Osterberg was appointed as our Vice-President, Exploration on October 8, 2020 and previously served as President and Chief Executive Officer and a Director since January 19, 2016, and prior to that was our Vice-President, Exploration since February 1, 2012. Previously, since April 2009, Dr. Osterberg was a Senior Geologist with Tetra Tech, Inc., a mining-related consulting firm. From November 2004 through March 2009, Dr. Osterberg was an independent consulting geologist. During this period, Dr. Osterberg also co-founded Jack's Fork Exploration, Inc., a privately held mineral exploration company. From 2002 to 2004, Dr. Osterberg was a Senior Geologist at Tetra Tech-MFG, Inc. Dr. Osterberg holds a Ph.D. in geology from the University of Minnesota and is a licensed professional geologist (P.G.) and qualified person (QP) with the Society of Mining and Metallurgy (SME). Mr. Osterberg is employed on a full-time basis with Timberline Resources.

Ted R. Sharp, CPA – Chief Financial Officer

Mr. Sharp was appointed as our Chief Financial Officer, Secretary, and Treasurer effective September 10, 2018. Mr. Sharp is a Certified Public Accountant and has a Bachelor of Business Administration Degree in Accounting from Boise State University. Since 2003 to the present, he serves as President of Sharp Executive Associates, Inc., a privately-held accounting firm providing Chief Financial Officer services to clients. Unless specified, each of the following companies are publicly-traded. Since March 2006 to the present, he serves as Chief Financial Officer of Goldrich Mining Company. From July 2012 through July 2021, Mr. Sharp was a principal and served part-time as Chief Financial Officer of US Calcium LLC, a privately-held natural resource company. In the past, from December 2018 to April 10, 2020, he served as Chief Financial Officer of U.S. Gold Corp. From May 2011 through January 2012, Mr. Sharp served part-time as Chief Financial Officer of Gryphon Gold Corporation. From September 2008 through November 2010, Mr. Sharp served part-time as Chief Executive Officer, President and Chief Financial Officer of Texada Ventures, Inc. Each of the latter three companies are mining exploration companies. From November of 2006 to June 2009, Mr. Sharp served part-time as Chief Financial Officer of Commodore Applied Technologies, Inc, an environmental services company. Prior to 2003, he worked for 14 years in positions of Chief Financial Officer, Managing Director of European Operations and Corporate Controller for Key Technology, Inc, a then-publicly-traded manufacturer of capital goods. Mr. Sharp has more than 35 years of experience in treasury management, internal financial controls, SEC reporting and Corporate Governance.

Arrangements between Officers and Directors

To our knowledge, there is no arrangement or understanding between any of our officers and any other person, including Directors, pursuant to which the officer was selected to serve as an officer.

Family Relationships

None of our Directors are related by blood, marriage, or adoption to any other Director, executive officer, or other key employees.

Other Directorships

None of the Directors of the Company are also directors of issuers with a class of securities registered under Section 12 of the Exchange Act (or which otherwise are required to file periodic reports under the Exchange Act).

Legal Proceedings

Other than as noted below, we are not aware of any of our directors or officers being involved in any legal proceedings in the past ten years relating to any matters in bankruptcy, insolvency, criminal proceedings (other than traffic and other minor offenses) or being subject to any of the items set forth under Item 401(f) of Regulation S-K.

Audit Committee and Audit Committee Financial Experts

We have a standing Audit Committee and audit committee charter, which complies with Rule 10A-3 of the Exchange Act, and the requirements of the NYSE American LLC. Our Audit Committee was established in accordance with Section 3(a)(58)(A) of the Exchange Act. Our Audit Committee is composed of two (2) directors each of whom, in the opinion of the Board, are independent (in accordance with Rule 10A-3 of the Exchange Act and the requirements of Section 803A of the NYSE American Company Guide) and financially literate (pursuant to the requirements of Section 803B of the NYSE American Company Guide): Pamela Saxton (Chairwoman) and Leigh Freeman. Ms. Saxton and Mr. Freeman each satisfy the requirement of a "financial expert" as defined under Item 407(d)(5) of Regulation S-K and meets the requirements for financial sophistication under the requirements of Section 803B of the NYSE American Company Guide. At December 29, 2023, Ms. Saxton and Mr. Freeman are the only members of the Audit Committee.

Director Nomination Procedures

There have been no material changes to the procedures pursuant to which a stockholder may recommend a nominee to the Board. The Corporate Governance and Nominating Committee does not have a set policy for whether or how stockholders are to recommend nominees for consideration by the Board. Recommendations for director nominees made by stockholders are subject to the same considerations as nominees selected by the Corporate Governance and Nominating Committee or the Board.

Code of Business and Ethical Conduct

We have adopted a corporate Code of Business and Ethical Conduct administered by our President and Chief Executive Officer, Patrick Highsmith. We believe our Code of Business and Ethical Conduct is reasonably designed to deter wrongdoing and promote honest and ethical conduct, to provide full, fair, accurate, timely and understandable disclosure in public reports, to comply with applicable laws, to ensure prompt internal reporting of code violations, and to provide accountability for adherence to the code. Our Code of Business and Ethical Conduct provides written standards that are reasonably designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to, the Commission and in other public communications made by an issuer;
- Compliance with applicable governmental laws, rules and regulations; and
- The prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and
- Accountability for adherence to the code.

Our Code of Business and Ethical Conduct is available on our web site at https://timberlineresources.co A copy of the Code of Business and Ethical Conduct will be provided to any person without charge upon written request to us at our executive offices: Timberline Resources Corporation, 9030 North Hess St., Suite 161, Hayden, Idaho 83835.

We intend to disclose any amendment to or any waiver from a provision of our code of ethics that applies to any of our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions that relates to any element of our code of ethics on our website. No waivers were granted from the requirements of our Code of Business and Ethical Conduct during the year ended September 30, 2023, or during the subsequent period from October 1, 2023 through the date of this Form 10-K.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers, directors, and persons who beneficially own more than 10% of our common stock ("10% Stockholders"), to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). Such officers, directors and 10% Stockholders are also required by SEC rules to furnish us with copies of all Section 16(a) forms that they file.

Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, the Company believes that during fiscal year ended September 30, 2023, the filing requirements applicable to its officers, directors and greater than 10% percent beneficial owners were complied with.

ITEM 11. EXECUTIVE COMPENSATION

The following summary compensation tables set forth information concerning the annual and long-term compensation for services in all capacities to the Company for the year ended September 30, 2023 of those persons who were, at September 30, 2022 (i) the Chief Executive Officer (Patrick Highsmith), (ii) the Chief Financial Officer (Ted R. Sharp), and (iii) any other highly compensated executive officers of the Company, whose annual base salary and bonus compensation was in excess of $100,000:

SUMMARY COMPENSATION TABLE

Name and principal Position	Fiscal Year	Salary ($)	Bonus ($)	Stock Unit and Stock Option Awards[3] ($)	All Other Compensation ($)	Total ($)
Patrick Highsmith, President, Chief Executive Officer	2023	168,000	-	84,962[1]	11,543	222,506
	2022	168,000	-	44,321[1]	11,033	223,354
Steven Osterberg, VP-Exploration	2023	150,000	-	-	36,653	155,403
	2022	150,000	-	-	33,473	183,473
Ted R. Sharp, Chief Financial Officer[2]	2023	-	-	-	56,243	56,243
	2022	-	-	-	34,824	34,824

(1) Includes 750,000 stock option awards with an exercise price of $0.25 per share, 25% which vested immediately with the balance vesting at 25% on subsequent anniversaries.

(2) Mr. Sharp provides services as Chief Financial Officer under a consulting contract.

(3) Stock Option awards are valued using the Black-Scholes method in accordance with FASB ASC Topic 718 and stock unit awards are valued at the market price of the stock on the date of grant. These amounts reflect the Company's accounting expense for these awards, and do not correspond to the actual value that may be recognized by the named executive officers. For additional information on the assumptions underlying the valuation of the Company's stock-based awards, please refer to Note 9 of the Company's consolidated financial statements included in this Annual Report on Form 10-K for fiscal year ended September 30, 2023 and Note 9 of the Company's consolidated financial statements included in its Annual Report on Form 10-K for fiscal years ended September 30, 2022.

Executive Compensation Agreements

Compensation agreements for executives are on terms normal to the industry in which we operate. Each agreement is publicly available by inquiring on the Company's filings as described in the Exhibits of Item 15, Part IV of this document.

Retirement, Resignation or Termination Plans

We sponsor no plan, whether written or verbal, that would provide compensation or benefits of any type to an executive upon retirement, or any plan that would provide payment for retirement, resignation, or termination as a result of a change in control of our Company or as a result of a change in the responsibilities of an executive following a change in control of our Company. Specific executive employment agreements described above do, however, provide that if the executive's employment is terminated by the Company without cause or by the executive for good reason, as such terms are defined in their respective employment agreements, the executive will be entitled to receive payments as set forth in the above discussions, which payments are greater in each case in the event that such termination or resignation is in relation to a change in control transaction.

Outstanding Equity Awards At Fiscal Year-End

The following table sets forth the stock options granted to our named executive officers, as of September 30, 2023. No stock appreciation rights have been awarded.

Name	Number of Securities Underlying Unexercised Options (#) Exercisable[1]	Option Exercise Price ($)	Option Expiration Date
Patrick Highsmith	750,000	$0.25	10/8/2025
	500,000	$0.25	5/6/2026
Steven Osterberg	456,522	$0.08	10/29/2024
	250,000	$0.25	10/8/2025
	200,000	$0.25	5/6/2026
Donald McDowell	456,522	$0.08	10/29/2024
	200,000	$0.25	5/6/2026

Ted R. Sharp	100,000	$0.10	1/17/2024
	152,173	$0.08	10/29/2024
	150,000	$0.25	5/6/2026

Directors

The following table sets forth the compensation granted to our directors during the fiscal year ended September 30, 2023. Compensation to Directors that are also executive officers is detailed above and is not included on this table.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Non-Qualified Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Leigh Freeman	0	0	0	0	0	0	0
Patrick Highsmith[1]	0	0	0	0	0	0	0
William Matlack	0	0	0	0	0	0	0
Donald McDowell	0	0	0	0	0	7,000[2]	7,000
Pam Saxton	0	0	0	0	0	0	0

(1) Mr. Highsmith was appointed director on January 1, 2021. He was appointed President and Chief Executive Officer on October 8, 2020, for which he receives a salary, which is not listed here.

(2) Mr. McDowell performs services as a geological consultant to the Company for which he receives compensation

Compensation of Directors

Directors that were also executive officers received no monetary compensation for serving as a director. Non-executive directors are granted non-qualified stock options as compensation. Such stock option awards are determined at the sole discretion of the Company's Compensation Committee.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDERS MATTERS

The following tables set forth information as of September 30, 2023, regarding the ownership of our common stock by:

- each named executive officer, each director and all of our directors and executive officers as a group; and
- each person who is known by us to own more than 5% of our shares of common stock.

The number of shares beneficially owned and the percentage of shares beneficially owned are based on 174,246,152 shares of common stock outstanding as of September 30, 2023. Beneficial ownership is determined in accordance with the rules and regulations of the SEC. Shares subject to options that are exercisable within 60 days following September 30, 2023 are deemed to be outstanding and beneficially owned by the optionee for the purpose of computing share and percentage ownership of that optionee but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person. Except as indicated in the footnotes to this table, and as affected by applicable community property laws, all persons listed have sole voting and investment power for all shares shown as beneficially owned by them.

DIRECTORS AND EXECUTIVE OFFICERS

Title of Class	Name of Beneficial Owner	Number of Shares of Common Stock/Common Shares Underlying Derivative Securities Beneficially Owned	Percentage of Common Shares**
Common Stock	Leigh Freeman [a][1] Chairman of the Board, Director	65,066/605,217	*
Common Stock	Steve Osterberg [c][2] VP - Exploration	1,108,994/1,057,609	1.24%
Common Stock	Donald McDowell [b][3] Former VP - Corporate Development, Director	-/10,143,522	5.80%
Common Stock	William Matlack [a][4] Director	17,204,961/4,166,848	11.98%
Common Stock	Patrick Highsmith[b][5] Chief Executive Officer, Director	-/1,250,000	*
Common Stock	Pamela Saxton [a][6] Director	-/200,000	*
Common Stock	Ted R. Sharp [c][7] Chief Financial Officer	-/402,173	*

Common Stock	Total Directors and Executive Officers as a group (7 persons)	18,379,021/17,825,369	20.46%

5% STOCKHOLDERS

Title of Class	Name and Address of Beneficial Owner	Number of Shares of Common Stock/Common Shares Underlying Derivative Securities Beneficially Owned	Percentage of Common Shares**
Common Stock	William Matlack [(a)(4)] Director	17,270,961/4,166,848	11.98%
Common Stock	Americas Gold Exploration, Inc. [(3)] Donald McDowell 2131 Stone Hill Circle Reno, NV 89519	9,487,000/656,552	5.82%
Common Stock	Condire Resource Master Partnership [(8)] John Bateman, 2000 McKinney Ave, Suite 2125, Dallas TX 75201	11,300,000/-	6.49%
Common Stock	Crescat Global Macro Master Fund LTD Crescat Long/Short Fund LLP Crescat Precious Metals Master Fund LTD Kevin and Linda Smith Living Trust [(9)] Kevin Smith, 1560 Broadway, Suite 2270, Denver, CO 80202	25,763,636/2,000,000	14.62%
Common Stock	Jupiter Investment Management[(10)] Zig Zag Building 70 Victoria Street London, United Kingdom SW1E 6SQ	25,933,705/5,000,000	17.26%

* less than 1%.

** The percentages listed for each shareholder are based on 174,246,152 shares outstanding as of September 30, 2023 and assume the exercise by that shareholder only of his/her entire option or warrant, exercisable within 60 days of September 30, 2023.

(a) Director only

(b) Officer and Director

(c) Officer only

(1) A vested option to purchase 365,217 shares was granted to this stockholder on October 29, 2019 with an exercise price of $0.08 per share and an expiration date of October 29, 2024. A vested option to purchase 240,000 shares was granted to this stockholder on May 6, 2021 with an exercise price of $0.186 per share and an expiration date of May 6, 2026.

(2) A vested option to purchase 456,522 shares was granted to this stockholder on October 29, 2019 with an exercise price of $0.08 per share and an expiration date of October 29, 2024. A vested option to purchase 250,000 shares was granted to this stockholder on October 8, 2020 with an exercise price of $0.25 and an expiration date of October 8, 2025.A vested option to purchase 200,000 shares was granted to this stockholder on May 6, 2021 with an exercise price of $0.186 per share and an expiration date of May 6, 2026. Total options include 151,087 owned by Mr. Osterberg's spouse.

(3) Mr. McDowell, a director of the Company, is the principal holder of shares of Americas Gold Exploration, Inc., owning approximately 75% of the voting securities of that company. A vested option to purchase 456,522 shares was granted to this stockholder on October 29, 2019 with an exercise price of $0.08 per share and an expiration date of October 29, 2024, a vested option to purchase 200,000 shares was granted to this stockholder on May 6, 2021 with an exercise price of $0.186 per share and an expiration date of May 6, 2026, each held personally by Mr. McDowell. Includes 9,487,000 shares owned by Americas Gold Exploration, Inc.

(4) A vested option to purchase 404,348 shares was granted to this stockholder on October 29, 2019 with an exercise price of $0.08 per share and an expiration date of October 29, 2024. A vested option to purchase 200,000 shares was granted to this stockholder on May 6, 2021 with an exercise price of $0.186 per share and an expiration date of May 6, 2026. This stockholder acquired units on October 19, 2019 which included 7,125,000 share of common stock and 3,562,500 warrants exercisable at a price of $0.12 per share that expire on October 15, 2024. Mr. Matlack's warrants include a voluntary provision in which he is prohibited from exercising those warrants if so doing would result in ownership exceeding 20.0%, therefore, the beneficial ownership percentage for Mr. Matlack is limited to the maximum allowed by that provision.

(5) An option to purchase 750,000 shares was granted to this stockholder on October 8, 2020 with an exercise price of $0.25 per share and an expiration date of October 8, 2025, of which 562,500 are vested with another 187,500 vesting on October 8, 2023. A vested option to purchase 500,000 shares was granted to this stockholder on May 6, 2021 with an exercise price of $0.186 per share and an expiration date of May 6, 2026.

(6) A vested option to purchase 200,000 shares was granted to this stockholder on May 6, 2021 with an exercise price of $0.186 per share and an expiration date of May 6, 2026.

(7) A vested option to purchase 100,000 shares was granted to this stockholder on December 31, 2018 with an exercise price of $0.10 per share and an expiration date of December 31, 2023. A vested option to purchase 152,173 shares was granted to this stockholder on October 29, 2019 with an exercise price of $0.08 per share and an expiration date of October 29, 2024. A vested option to purchase 150,000 shares was granted to this stockholder on May 6, 2021 with an exercise price of $0.186 per share and an expiration date of May 6, 2026.

(8) This stockholder acquired units on August 13, 2020 which included 8,800,000 shares of common stock. This stockholder acquired units on June 29, 2021 which included 2,500,000 shares of common stock.

(9) This group of affiliated stockholders acquired units on August 13, 2020 which included 16,363,636 shares of common. This stockholder acquired units on June 29, 2021 which included 1,250,000 shares of common stock. This stockholder acquired 2,000,000 shares of common stock in a private placement on April 22, 2022. This stockholder acquired units on August 31, 2023 which included 4,000,000 common shares and 2,000,000 warrants exercisable at a price of $0.08 per share that expire on August 31, 2026. Includes 150,000 common shares purchased on the open market.

(10) This stockholder acquired 15,933,705 shares of common stock in April of 2022. This stockholder acquired units on August 24, 2023 which included 10,000,000 common shares and 5,000,000 warrants exercisable at a price of $0.08 per share that expire on August 31, 2026.

We believe that all persons named have full voting and investment power with respect to the shares indicated, unless otherwise noted in the table and the footnotes thereto. Under the rules of the SEC, a person (or group of persons) is deemed to be a "beneficial owner" of a security if he or she, directly or indirectly, has or shares the power to vote or to direct the voting of such security, or the power to dispose of or to direct the disposition of such security.

Accordingly, more than one person may be deemed to be a beneficial owner of the same security. A person is also deemed to be a beneficial owner of any security, which that person has the right to acquire within 60 days, such as options or warrants to purchase our common stock.

The Company is not, to the best of our knowledge, directly or indirectly owned or controlled by another corporation or foreign government.

Change in Control

The Company is not aware of any arrangement that might result in a change in control in the future. The Company has no knowledge of any arrangements, including any pledge by any person of our securities, the operation of which may at a subsequent date result in a change in the Company's control.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

Transactions with Related Persons

There were no reportable transactions with related parties, including 5% or greater security holders, during the fiscal year ended September 30, 2023, except as noted below.

On July 30, 2018, prior to him becoming a significant shareholder and director, the Company entered into a loan agreement and promissory note with William Matlack. Mr. Matlack loaned the Company $300,000 in the form of a senior unsecured note, with the principal bearing interest at an annual rate of 18%, compounded monthly. The loan is unsecured and had a maturity date of January 20, 2023, and extended until July 20, 2023. During fiscal 2021, the Company repaid $29,009 of principal along with $220,991 of interest. During fiscal 2023, the Company paid the note in full bringing the balance to $0. At September 30, 2023 and 2022, the note payable balance was $nil and $270,991, respectively, with all of the discount fully amortized.

Mr. Donald McDowell, a director of the Company, performed geological consulting services for the Company, for which he received compensation of $7,000 and $60,750 in the fiscal years ended September 30, 2023 and 2022, respectively.

Except as indicated herein, no officer, director, promoter, or affiliate of Timberline has or proposes to have any direct or indirect material interest in any asset acquired or proposed to be acquired by Timberline through security holdings, contracts, options, or otherwise. In cases where we have entered into such related party transactions, we believe that we have negotiated consideration or compensation that would have been reasonable if the party or parties were not affiliated or related.

Policy for Review of Related Party Transactions

We have a policy for the review of transactions with related persons as set forth in our Audit Committee Charter and internal practices. The policy requires review, approval or ratification of all transactions in which we are a participant and in which any of our directors, executive officers, significant stockholders or an immediate family member of any of the foregoing persons has a direct or indirect material interest, subject to certain categories of transactions that are deemed to be pre-approved under the policy - including employment of executive officers, director compensation (in general, where such transactions are required to be reported in our proxy statement pursuant to SEC compensation disclosure requirements), as well as certain transactions where the amounts involved do not exceed specified thresholds. All related party transactions must be reported for review by the Audit Committee of the Board of Directors pursuant to the Audit Committee's charter and the rules of the NYSE American.

Following its review, the Audit Committee determines whether these transactions are in, or not inconsistent with, the best interests of the Company and its stockholders, taking into consideration whether they are on terms no less favorable to the Company than those available with other parties and the related person's interest in the transaction. If a related party transaction is to be ongoing, the Audit Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the related person.

Our policy for review of transactions with related persons was followed in all of the transactions set forth above and all such transactions were reviewed and approved in accordance with our policy for review of transactions with related persons.

Director Independence

We have five directors as of December 29, 2023, including two independent directors, Leigh Freeman and Pamela Saxton.

An “independent” director is a director whom the Board of Directors has determined satisfies the requirements for independence under Section 803A of the NYSE American Company Guide.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Assure CPA, LLC was the Independent Registered Public Accounting Firm for the Company in the fiscal year ended September 30, 2023.

Our financial statements have been audited by Assure CPA, LLC, independent registered public accounting firm, for the years ended September 30, 2006 through September 30, 2023.

The following table sets forth information regarding the amount billed to us by our independent auditor, Assure CPA, LLC for our two fiscal years ended September 30, 2023 and 2022, respectively:

	Years Ended September 30,	
	2023	2022
Audit Fees	$63,133	$68,426
Audit Related Fees	-	-
Tax Fees	14,550	11,110
All Other Fees	-	-
Total	$77,683	$79,536

Audit Fees

Consist of fees billed for professional services rendered for the audit of our financial statements and review of interim consolidated financial statements included in quarterly reports and services that are normally provided by the principal accountants in connection with statutory and regulatory filings or engagements.

Audit Related Fees

Consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our consolidated financial statements and are not reported under “Audit Fees”.

Tax Fees

Consist of fees billed for professional services for tax compliance, tax advice and tax planning. These services include preparation of federal and state income tax returns.

All Other Fees

Consist of fees for product and services other than the services reported above.

Policy on Pre-Approval by Audit Committee of Services Performed by Independent Auditors

The Audit Committee has adopted procedures requiring the Audit Committee to review and approve in advance, all particular engagements for services provided by the Company’s independent auditor. Consistent with applicable laws, the procedures permit limited amounts of services, other than audit, review or attest services, to be approved by one or more members of the Audit Committee pursuant to authority delegated by the Audit Committee, provided the Audit Committee is informed of each particular service. All of the engagements and fees for 2023 and 2022 were pre-approved by the Audit Committee. The Audit Committee reviews with Assure CPA, LLC whether the non-audit services to be provided are compatible with maintaining the auditor's independence.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Financial Statements

The following Consolidated Financial Statements of the Corporation are filed as part of this report:

1. Report of Independent Registered Public Accounting Firm dated December 29, 2023.
2. Consolidated Balance Sheets—At September 30, 2023 and 2022.
3. Consolidated Statements of Operations—Years ended September 30, 2023 and 2022.
4. Consolidated Statements of Changes in Stockholders' Equity—Years ended September 30, 2023 and 2022.
5. Consolidated Statements of Cash Flows—Years ended September 30, 2023 and 2022.
6. Notes to Consolidated Financial Statements.

See "Item 8. Financial Statements and Supplementary Data."

Exhibits:

Exhibit	Description of Document
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.
3.3	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 October 14, 2021.
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 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
4.3	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
4.4	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
4.5	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
4.6	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 Jan 10, 2020
4.7	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
4.8#	Form of the Series M Warrant
4.9#	Form of the Series N Warrant
10.1*	Amended 2005 Equity Incentive Plan approved at the September 22, 2006 Annual Meeting of Shareholders, incorporated by reference Exhibit A to the Company's Schedule DEF14A (Proxy Statement) as filed with the Securities and Exchange Commission on September 8, 2006
10.2*	Amendment No. 1 to Timberline Resources Corporation's Amended 2005 Equity Incentive Plan, incorporated by reference to the Company's Form 8-K as filed with the Securities and Exchange Commission on August 27, 2008.
10.3*	2015 Stock and Incentive Plan, incorporated by reference to the Company's definitive proxy statement on Schedule 14A as filed with the Securities and Exchange Commission on August 26, 2015
10.4*	Sharp Executive Associates, Inc. (Ted R. Sharp) CFO Engagement Letter dated September 10, 2018, incorporated by reference to exhibit 10.36 to the Company's Form 10-K as filed with the Securities and Exchange Commission on December 27, 2018
10.5	Lookout Mountain LLC Agreement dated June 28, 2019, incorporated by reference to the Company's Form 10-K as filed with the Securities and Exchange Commission on January 10, 2020
10.6*	Patrick Highsmith Employment Agreement dated October 3, 2020, incorporated by reference to the Company's Form 8-K as filed with the Securities and Exchange Commission on October 13, 2020
10.7*	Steven Osterberg Employment Agreement dated October 9, 2020, incorporated by reference to the Company's Form 8-K as filed with the Securities and Exchange Commission on October 13, 2020
10.8	Real Estate Purchase Contract with Newmont Capital Limited signed August 23, 2022, incorporated by reference to the Company's Form 10-K as filed with the Securities and Exchange Commission on December 29, 2022
10.9	Real Estate Purchase Contract with University of Nevada – Reno Foundation signed September 28, 2022, incorporated by reference to the Company's Form 10-K as filed with the Securities and Exchange Commission on December 29, 2022
10.10	Memo of Agreement with Normandy Gold Ltd signed April 26, 2022, incorporated by reference to the Company's Form 10-K as filed with the Securities and Exchange Commission on December 29, 2022
10.11	Technical report entitled *S-K 1300 Technical Report Summary: Lookout Mountain Project, Eureka Property, Eureka, Nevada* dated June 21, 2023 with an effective date of December 31, 2022, incorporated by reference to the Company's Form 10-K/A as filed with the Securities and Exchange Commission on July 12, 2023.

10.12	Management Summary of SK 1300 Report, incorporated by reference to the Company's Form 10-K/A as filed with the Securities and Exchange Commission on July 12, 2023.
21.1	List of Subsidiaries, incorporated by reference to the Company's Form 10-K as filed with the Securities Exchange Commission on January 10, 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 Chief 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 Chief 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

* - Denotes management contract or compensatory plan
# - Filed herewith

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, we caused this report to be signed on our 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: January 2, 2024

In accordance with Section 13 or 15(d) of the Exchange Act, we caused this report to be signed on our behalf by the undersigned thereunto duly authorized.

TIMBERLINE RESOURCES CORPORATION

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

Date: January 2, 2024

In accordance with the Exchange Act, this report has been signed below by the following persons on our behalf and in the capacities and on the dates indicated.

Date: January 2, 2024 *_/s/ Leigh Freeman_*
Leigh Freeman, Chairman of the Board of Directors

Date: January 2, 2024 *_/s/ Patrick Highsmith_*
Patrick Highsmith, Director, President and Chief Executive Officer

Date: January 2, 2024 _/s/ Donald McDowell_
Donald McDowell, Director, VP-Corporate Development

Date: January 2, 2024 *_/s/ Pamela Saxton_*
Pamela Saxton, Director

Date: January 2, 2024 *_/s/ William Matlack_*
William Matlack, Director

Date: January 2, 2024 *_/s/ Ted R. Sharp_*
Ted R. Sharp, Chief Financial Officer

Exhibit 31.1

CERTIFICATION

I, Patrick Highsmith, certify that:

1. I have reviewed this annual report on Form 10-K 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: January 2, 2024

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 annual report on Form 10-K 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: January 2, 2024

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 Annual Report of Timberline Resources Corporation, (the "Company") on Form 10-K for the period ended September 30, 2023, 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 DATE: January 2, 2024
Patrick Highsmith, Chief Executive Officer and President

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 Annual Report of Timberline Resources Corporation, (the "Company") on Form 10-K for the period ended September 30, 2023, 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: January 2, 2024

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.