

COEUR D'ALENE, IDAHO--(Marketwired - Jan 26, 2016) - [Timberline Resources Corp.](#) (NYSE MKT:TLR)(TSX VENTURE:TBR) ("Timberline" or the "Company") today announced a binding letter of intent ("LOI") for the sale of its 50% interest in Butte Highlands JV, LLC ("BHJV") to New Jersey Mining Company (OTCQB:NJMC) ("NJMC") of Coeur d'Alene, Idaho. BHJV owns the Butte Highlands project, an underground gold project being developed south of Butte, Montana. NJMC owns the fully permitted and developed Golden Chest Mine and Mill in north Idaho and plans to commence gold production at the Golden Chest Mine later this year. Terms of the sale of 100% of Timberline's interest in BHJV call for NJMC to make a \$50,000 down payment upon the execution of the LOI, to be followed by a payment of \$175,000 and delivery of three million shares of NJMC common stock by January 31, 2016 to close the purchase.

Steven Osterberg, Timberline's President and CEO said, "The opportunity to monetize our non-core, non-operating interest in the Butte Highlands project allows Timberline to further focus on our Nevada projects. Butte Highlands is a unique fit for NJMC to capitalize on their mining and milling expertise and help finalize engineering and development of the mine."

The Company today also announced that Mr. Scott Davis will succeed Mr. Randal Hardy as the Company's Chief Financial Officer ("CFO") following a brief transition period. Mr. Hardy has resigned from his office effective January 19, 2016, but will remain available to the Company during a period to ensure a smooth transition.

Mr. Davis is a CPA, and CGA and a partner of Cross Davis & Company LLP Certified General Accountants, a firm focused on providing accounting and management services for publicly-listed companies. His experience includes CFO positions of several companies listed on the TSX Venture Exchange, and his past experience consists of senior management positions, including four years at Appleby as an Assistant Financial Controller. Prior to that, he spent two years at Davidson & Company LLP Chartered Accountants as an Auditor, five years with Pacific Opportunity Capital Ltd. as an Accounting Manager and two years at Jacobson Soda and Hosak, Chartered Accountants.

The Company continues to evaluate strategic alternatives with various parties to finance the Company's Nevada projects and for general working capital purposes. During this ongoing period of difficult market conditions, the Company is operating under stream-lined management and significant cost-control measures, including consolidation of facilities, and staff and salary reductions.

The structure of any future transaction remains to be determined, and the consummation of any transaction remains subject to completion of due diligence, execution of definitive agreements, Board and regulatory approvals, and other customary closing conditions. There is no certainty that any specific transaction will be completed.

The Company is also reviewing its current listing on the NYSE.MKT in light of the prevailing market conditions affecting the exploration industry.

About Timberline Resources

[Timberline Resources Corp.](#) is focused on advancing district-scale gold exploration and development projects in Nevada, including its Talaposa project in Lyon County where the Company has completed and disclosed a positive preliminary economic assessment. Timberline also controls the 23 square-mile Eureka project lying on the Battle Mountain-Eureka gold trend. At Eureka, the Company continues to advance its Lookout Mountain and Windfall project areas. Exploration potential occurs within three separate structural trends defined by distinct geochemical gold anomalies. Timberline also owns the Seven Troughs property in northern Nevada, known to be one of the state's highest grade, former producers, as well as a 50% carried-to-production interest in the Butte Highlands high-grade underground gold project in Montana.

Timberline is listed on the NYSE MKT where it trades under the symbol "TLR" and on the TSX Venture Exchange where it trades under the symbol "TBR".

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

Forward-looking Statements

Statements contained herein that are not based upon current or historical fact are forward-looking in nature and constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements reflect the Company's expectations about its future operating results, performance and opportunities that involve substantial risks and uncertainties. These statements include but are not limited to statements regarding sale of the Company's interest in BHJV, gold production by NJMC, the cash payment delivery of shares, and closing of the purchase transaction described in the LOI, monetization of a non-core asset, obtaining an ownership position in NJMC, focusing on Nevada projects, the Company's discussions on strategic alternatives and financing, cost-control measures. When used herein, the words "anticipate," "believe," "estimate," "upcoming," "plan," "target", "intend" and "expect" and similar expressions, as they relate to [Timberline Resources Corp.](#), its subsidiaries, or its management, are intended to

identify such forward-looking statements. These forward-looking statements are based on information currently available to the Company and are subject to a number of risks, uncertainties, and other factors that could cause the Company's actual results, performance, prospects, and opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, risks related to changes in the Company's business resulting in changes in the use of proceeds, and other such factors, including risk factors discussed in the Company's Annual Report on Form 10-K for the year ended September 30, 2015. Except as required by law, the Company does not undertake any obligation to release publicly any revisions to any forward-looking statements.

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

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