COEUR D'ALENE, IDAHO--(Marketwired - Apr 3, 2017) - Timberline Resources Corp. (OTCQB:TLRS)(TSX VENTURE:TBR) ("Timberline" or the "Company") announced today that on March 31, 2017 it paid the US$1 million cash payment to American Gold Capital US Inc. ("AGC"), a subsidiary of Gunpoint Exploration Ltd., in satisfaction of the cash option payment for its Talapoosa gold project in Lyon County, Nevada. The Company will also issue one million shares of the Company's common stock to AGC pending approval by the TSX-V. The cash and stock payments are made pursuant to the terms of the amended option agreement which permits the Company to acquire 100% of the Talapoosa gold project (the "Amended Option Agreement").

The original Option Agreement was amended in October, 2016 to extend the option exercise period until March 31, 2019, thereby allowing exploration and development related expenditures which are expected to further develop the Talapoosa gold project by increasing the gold resource and advancing the project to the feasibility stage.

Timberline's President and Chief Executive Officer, Steven Osterberg, commented, *"We consider the completion of the initial option payment obligation to be an important and significant milestone in our efforts to further advance the Talapoosa gold project while testing the open extent of the resource and related initiatives to move to feasibility. With the strong investor demand for our previously announced non-brokered private placement (recently expanded to US$2.0 million), we are excited to advance the project forward during the 2017 field season. We appreciate the continued support of Gunpoint Exploration and American Gold Capital as significant and supportive shareholders of Timberline as we continue to advance Talapoosa."*

The Talapoosa resource consists of 1,012,802 ounces (oz) of gold and 13,649,358 oz of silver in the Measured & Indicated Resources ("M&I") categories, with an additional 233,532 oz of gold and 2,172,766 oz of silver in the Inferred Resource category as detailed below:

	Tons	Au (oz/ton)	Ag (oz/ton)	Tonnes	Au (g/t)	Ag (g/t)	Au (oz)	Ag (oz)
Total Measured	17,170,870	0.036	0.494	15,577,070	1.23	16.95	618,468	8,489,086
Total Indicated	14,093,600	0.028	0.366	12,785,400	0.96	12.55	394,334	5,160,273
Total M&I	31,264,470	0.032	0.437	28,362,470	1.11	14.97	1,012,802	13,649,358
Total Inferred	11,198,000	0.021	0.194	10,158,000	0.72	6.65	233,532	2,172,766

Note: resources estimated using a gold cut-off = 0.013 oz/ton (0.45 g/t)
*See "*Technical Report and Resource Estimate on the Talapoosa Project, Nevada*", WSP Canada Inc., Effective March 24, 2015, Filed on SEDAR April 1, 2015

A positive Preliminary Economic Assessment ("PEA") was completed on the Talapoosa project and released on April 27, 2015 by WSP Canada which envisioned the project as an open-pit, gold heap leach operation (See "*Preliminary Economic Assessment on the Talapoosa Project, Nevada,"* effective April 27, 2015). The results of the PEA, using the base case price assumption of US$1,150/oz gold and US$16/oz silver, confirmed Talapoosa's economic potential, including:

- Estimated average annual production of 55,000 oz of gold and 679,000 oz of silver for 11 years
- Life of mine all-in sustaining costs of $599/oz gold (net of silver by-product at $16/oz silver price)
- Estimated US$209 million after-tax net cash flow
- After-tax $NPV_{5\%}$ of $136 million and 39% IRR at $1,150/oz gold price and $16/oz silver price
- Low initial capital requirement of $51 million.

Timberline's current focus will be on finalizing the on-going metallurgical studies and preparations for initial drill testing of the resource expansion target areas at Talapoosa and exploration on the adjacent Appaloosa zone (see Press Releases dated December 7, 2016, and January 31, 2017).

About Timberline Resources

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

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

Cautionary Statements

The PEA is preliminary in nature and the economic analysis it presents is based, in part, on Inferred Resources that are

considered too speculative geologically to have mining and economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Estimates of Inferred Resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. There is no certainty that the economic forecasts contained within the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Cautionary note to United States Investors Regarding Estimates of Resources: This press release uses the terms "Measured Resources", "Indicated Resources", "Measured & Indicated Resources" and "Inferred Resources" We advise U.S. investors that while these terms are defined in and required by Canadian regulations under NI 43-101, these terms are not defined terms under United States Securities and Exchange Commission ("SEC") Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and all necessary permits and governmental authorizations must be filed with the appropriate governmental authority. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "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. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC Industry Guide 7 standards as in place tonnage and grade without reference to unit measures. The PEA is not a definitive feasibility study and our projects currently do not contain any known proven or probable ore reserves under SEC Industry Guide 7 reporting standards. The results of the PEA disclosed in this press release are preliminary in nature and include Inferred Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the results of the PEA will be realized.

Forward-looking Statements

Statements contained herein that are not based upon current or historical fact are forward-looking in nature and constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements reflect the Company's expectations about its future operating results, performance and opportunities that involve substantial risks and uncertainties. These statements include but are not limited to statements regarding the issuance of the Company's common shares to AGC, approval of the stock issuance by the TSX-V, expenditures to develop Talapoosa, the increase to the gold resource and development to feasibility of the Talapoosa project, testing the open extent of the resource, moving to feasibility, advancement during the 2017 field season, the results of the PEA including production rates, costs, gold and silver prices, NPV, cash flow, and capital requirements, finalizing on-going metallurgical studies, preparations for drilling, exploration of the Appaloosa zone, advancement of projects, and exploration potential. When used herein, the words "anticipate," "believe," "estimate," "upcoming," "plan," "target", "intend" and "expect" and similar expressions, as they relate to Timberline Resources 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 most recent fiscal year ended September 30. 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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