

TIMBERLINE RESOURCES CORPORATION

DIRECTOR NOMINATING PROCESS AND POLICY

The following is the process and policy that the Corporate Governance and Nominating Committee of Timberline Resources Corporation (the "Committee") shall follow when selecting nominees for director to the Board of Directors of the Company.

1. The Committee will utilize the Director Qualification Criteria established by the Committee to select the most qualified candidates.
2. The Committee will solicit candidate recommendations from Committee members, other Directors and management.
3. The Committee may engage the services of search firms and advisors to help the Committee identify and screen potential director nominees.
4. The Committee will consider recommendations for director nominees made by shareholders and other sources (including self-nominees) if these individuals meet the Director Qualification Criteria. For consideration by the Committee, the nominating shareholder must provide the Corporate Secretary's Office with information about the nominee, including the detailed background of the suggested candidate that will demonstrate how the individual meets the Director Qualification Criteria. If a candidate proposed by a shareholder or other source meets the Director Qualification Criteria, the individual will be considered on the same basis as other candidates.
5. The Committee will assess the Board's current and anticipated strengths and needs based upon the Board's current profile and the Company's current and future needs. The Committee should select candidates so that the Board has an appropriate balance of expertise or experience in accounting and finance, technology, management, compensation, corporate governance, strategy, industry knowledge and general business matters.
6. The Committee will screen the slate of director candidates to identify the individuals who best fit the Director Qualification Criteria and the Committee's assessment of the Board's needs.
7. The Committee will follow prudent practices prior to nomination, including, where appropriate, practices such as background checks and interviews of the potential nominee with Board members and senior management.
8. Based upon the results of the foregoing, the Committee will (a) recommend for election by the Board a candidate to fill a vacancy or a newly created directorship or (b) for each annual meeting, recommend for nomination by the Board a slate of directors for the election by shareholders.

TIMBERLINE RESOURCES CORPORATION

Director Qualification Criteria

Timberline Resources Corporation (the “Company”) strives to have a Board of Directors consisting of top quality members who will work diligently to promote the long-term interests of the Company. The Company’s Corporate Governance and Nominating Committee and the Board of Directors will take into account the following criteria when determining the qualifications of a candidate for director.

1. **Integrity.** Directors should have the highest level of integrity and ethical character and share the Company’s values.

2. **Reputation.** Directors should have reputations, both personal and professional, consistent with the Company’s image and reputation.

3. **Judgment.** Directors should have the ability to exercise sound business judgment on a broad range of issues.

4. **Knowledge.** Directors should be financially literate and have a sound understanding of business strategy, business environment, corporate governance and board operations.

5. **Independence.** Directors who are not current or former management should meet all applicable director independence standards. In addition, Directors should be independent in their thought and judgment so that they represent the long-term interests of all shareholders of the Company.

6. **Experience and Accomplishments.** Directors should have significant experience, and proven superior performance in professional endeavors. In particular, Directors should have experience as a CEO, COO, CFO or other high level business or leadership position in major complex organizations, including medium to large companies, government, educational and other non-profit institutions.

7. **Board Interaction.** Directors should value board and team performance over individual performance, demonstrate respect for others and facilitate superior board performance. Directors should be actively involved in the Board and its decision-making.

8. **Commitment.** Directors should be able and willing to devote the required amount of time to the Company’s affairs, including preparing for and attending meetings of the Board and its committees. The number of other board memberships, current occupation, meeting attendance and preparedness at meetings should be taken into consideration.

9. **Skills.** Directors should have expertise in one or more of the following areas: accounting and finance, technology, management, international business outside of the United States, compensation, corporate governance, strategy, industry knowledge and general business matters.

10. **Long-Term Commitment.** Directors should have the ability and commitment to serve on the Board for an extended period. Future commitments and the Board’s retirement policy should be taken into account, particularly when considering a new Board member.