

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION,
Washington, D.C. 20549
FORM 10-KSB/A

(X) Annual Report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Fiscal Year Ended September 30, 2006.

() Transaction Report under Section 13 or 15(d) of Securities Exchange Act of 1934
For the transition period from _____ to _____

TIMBERLINE RESOURCES CORPORATION

(Name of Small Business Issuer in its Charter)

Idaho	000-51549	82-0291227
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1100 East Lakeshore Drive, Suite 301, Coeur d'Alene, ID	83814
(Address of principal executive offices)	(Zip Code)

Issuer's Telephone Number: (208) 664-4859

Copies of Communications to:

Thomas E. Bocchieri, Attorney at Law
561 Schaefer Avenue
Oradell, New Jersey 07649-2517
Telephone: 201-983-2024
Fax: 201-265-6069

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$0.001 par value.

(Title of Class)

Check whether the issuer: (1) filed all reports to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES [X] No [] The Company has not yet been subject to filing requirements for 90 days.

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [X]

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act.) [] Yes [X] No

State issuer's revenues for its most recent fiscal year: **\$6,469,546**

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked prices of such common equity, as of a specified date within the past 60 days:
\$11,392,052 on January 8, 2007.

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 18,371,921 **shares of common stock on January 8, 2007.**

EXPLANATORY NOTE

This amendment is being filed for the purpose of including the:

- (1) December 29, 2006, report of the Registrant's independent registered public accounting firm (DeCoria Maichel Teague, P.S.) issued in connection with the Registrant's financial statements as of and for the year ended September 30, 2006;
- (2) December 5, 2005 (except as to note 13, which is dated April 26, 2006), report of the Registrant's independent registered public accounting firm (Williams & Webster, P.S.) issued in connection with the Registrant's financial statements as of and for the year ended September 30, 2005; and
- (3) November 3, 2006, report of World Wide Exploration S.A. de C.V.'s independent auditors (KPMG) issued in connection with World Wide Exploration S.A. de C.V.'s financial statements as of September 30, 2006 and for the period from inception (December 16, 2005) to September 30, 2006. World Wide Exploration S.A. de C.V. is the wholly owned, Mexican subsidiary of Kettle Drilling, Inc., which is the Registrant's wholly owned subsidiary.

These reports were inadvertently omitted from the financial statements contained Item 7 of Part II of the Registrant's Annual Report on Form 10KSB filed on January 16, 2007.



dm-t
decoria • maichel • teague

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Timberline Resources, Inc.

We have audited the accompanying consolidated balance sheet of Timberline Resources, Inc. ("the Company") as of September 30, 2006 and the related statements of operations, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of World Wide Exploration a 100% owned subsidiary, which statements reflect total assets constituting approximately 5.8 percent of the consolidated total assets as of September 30, 2006 and 19.1 percent of the consolidated revenues for the year ended September 30, 2006. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in World Wide Exploration is based solely on the reports of other auditors.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Timberline Resources, Inc. as of September 30, 2006 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

De Coria, Maichel + Teague PS

December 29, 2006

Spokane, Washington



KPMG Cárdenas Dosal
Torre Hermosillo 8º Piso
Blvd. Kino 309
Cot. Country Club
83150 Hermosillo, Son.

Teléfono: + 01 (662) 289 01 00
Fax: + 01 (662) 289 01 09
www.kpmg.com.mx

Independent Auditors' Report

(Translation from Spanish Language Original)

The Board of Directors and Stockholders
World Wide Exploration, S. A. de C. V.
(Subsidiary of Kettle Drilling, Inc.):

We have examined the accompanying balance sheet of World Wide Exploration, S. A. de C. V. (the Company) as of September 30, 2006, and the related statement of operations, stockholders' equity (deficit) and changes in financial position for the period from December 16, 2005 through September 30, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Mexico. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and are prepared in accordance with Mexican financial reporting standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the financial reporting standards used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements have been prepared on the historical cost basis and do not recognize the effects of inflation on the financial information, which is required for the Mexican financial reporting standards. However due to the Company was incorporated on December 16, 2005 and the cumulative inflation since such date and until September 30, 2006 was 2.47%, such inflationary effects does not have a significant impact in the financial information of the Company.

As discussed in note 8(b), the Company has sustained losses exceeding its capital stock and, in accordance with Mexican law, this may be cause for dissolution of the Company, at the legal request of any interested party with outstanding credits. However, the principal stockholders have expressed their intention to support the Company financially so that it may continue as a going concern.

(Continued)

60

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KPMG Cárdenas Dosal S.C. is a member firm of KPMG International, a Swiss entity.

Aguascalientes, Ags.
Ciudad Juárez, Chih.
Culiacán, Sinaloa
Chihuahua, Chih.
Guadalajara, Jalisco
Hermosillo, Sonora
Mérida, Yucatán
Monterrey, Coahuila

México, D.F.
Morelia, Mich.
Puebla, Pue.
Quintana Roo
San Juan, Pinar del Rio
Tijuana, Baja California
Torreón, Coahuila



As discussed in note 2(i), the Company is engaged in providing mine drilling services, which during the period ended on September 30, 2006 were rendered to Minera Metalin, S. A. de C. V. and Minera Plata Adelante, S. A. de C. V. Services provided to such entities represent 52% and 48%, respectively, of the Company's total service revenues.

In our opinion, the financial statements referred to above present the financial position of World Wide Exploration, S. A. de C. V. as of September 30, 2006, the results of its operations, the changes in its stockholders' equity (deficit) and the changes in its financial position for the period from December 16, 2005 through September 30, 2006 in conformity with Mexican financial reporting standards.

KPMG Cárdenas Dosal, S.C.

Fernando de Silva Gutiérrez

November 3, 2006



Williams & Webster, P.S.

Certified Public Accountants & Business Consultants

Board of Directors
Timberline Resources Corporation
Spokane, Washington

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have audited the accompanying balance sheets of Timberline Resources Corporation (an Idaho corporation and exploration stage company) as of September 30, 2005, and the related statements of operations, stockholders' equity (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Timberline Resources Corporation as of September 30, 2005 and the results of its operations, stockholders' equity (deficit) and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying 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 no revenues, limited resources and a large accumulated deficit. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans are also discussed in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 13 to the financial statements, an error resulting in an understatement of previously reported net losses concerning the recognition of lease income and change in the fair value of derivatives as of September 30, 2005, was discovered by management of the Company during February and March 2006. Accordingly, adjustments have been made to the accompanying financial statements as of September 30, 2005 to correct these errors in which net losses have been increased by \$64,029.

Wm & Webster, P.S.

Williams & Webster, P.S.
Certified Public Accountants
Spokane, Washington
December 5, 2005, except for Note 13, which is dated April 26, 2006

*Members of Private Companies Practice Section, SEC Practice Section, AICPA and WSCPA
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Phone (509) 838-5111 • Fax (509) 838-5114 • www.williams-webster.com*

SIGNATURES

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

Timberline Resources Corporation
(Registrant)

/s/ John Swallow

John Swallow
(Chief Executive Officer and Chairman of the board of Directors)

/s/ Michael P. Wilson

Michael P. Wilson
(Chief Financial Officer)

Date: January 24, 2007

INDEX TO ATTACHED EXHIBITS

Exhibit 31.1 - Certification Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a), Swallow

Exhibit 31.2 - Certification Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a), Wilson

Exhibit 32.1 - Certification Required by Rule 13a-14(b) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, Swallow

Exhibit 32.2 - Certification Required by Rule 13a-14(b) or Rule 15d-14(b) and section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, Wilson

CERTIFICATION

I, John Swallow, certify that:

1. I have reviewed this annual report on Form 10-KSB of Timberline Resources Corporation, as amended;

2. Based on my knowledge, this report does not contain any untrue statements 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 small business issuer's other certifying officers 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)) for the small business issuer 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 small business issuer, 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) Evaluated the effectiveness of the small business issuer'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

(c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

(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 small business issuer'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 small business issuer's internal control over financial reporting.

Date: January 24, 2007.

/s/ John Swallow

John Swallow

(CEO and Chairman of the Board of Directors)

CERTIFICATION

I, Michael P. Wilson, certify that:

1. I have reviewed this annual report on Form 10-KSB of Timberline Resources Corporation, as amended;

2. Based on my knowledge, this report does not contain any untrue statements 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 small business issuer's other certifying officers 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)) for the small business issuer 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 small business issuer, 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) Evaluated the effectiveness of the small business issuer'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

(c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):

(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 small business issuer'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 small business issuer's internal control over financial reporting.

Date: January 24, 2007.

/s/ Michael P. Wilson
Michael P. Wilson
(CFO)

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

I, John Swallow, CEO, and Chairman of the Board of Directors of Timberline Resources Corporation (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. This Annual Report on 10KSB of the Company for the period ended September 30, 2006, as amended, as filed with the Securities and Exchange Commission (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 the Company.

Date: January 24, 2007.

/s/ John Swallow

John Swallow
(CEO and Chairman of the Board of Directors)

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

I, Michael P. Wilson, CFO of Timberline Resources Corporation (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. This Annual Report on 10KSB of the Company for the period ended September 30, 2005, as amended, as filed with the Securities and Exchange Commission (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 the Company.

Date: January 24, 2007.

/s/ Michael P. Wilson

Michael P. Wilson (CFO)