

**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 **December 31, 2010**

OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number **000-53662**

BUTTE HIGHLANDS MINING COMPANY

(Exact name of registrant as specified in its charter)

Delaware

81-0409475

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

P.O. Box 99, Liberty Lake, WA

99019

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(509) 979-3053**

Securities registered pursuant to Section 12(b) of the Act: None

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

Class A Common Stock, \$0.01 par value per share

(Titles of Classes)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by 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 Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

☒ 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 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, or a smaller reporting company.

Large accelerated filer

☐

Non-accelerated filer

☐

(Do not check if a smaller reporting company)

Accelerated filer

☐

Smaller reporting company

☒

Indicate by check mark whether the registrant is a shell company. ☒ Yes ☐ No

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the closing price of \$0.25 per share on June 30, 2010, was approximately \$104,595. For purposes of this disclosure, shares of stock held by persons who hold more than 5% of the outstanding shares of common stock, and shares held by officers and directors of the Registrant have been excluded, because such persons may be deemed to be affiliates.

The number of outstanding shares of the Registrant's par value Class A Common Stock on March 22, 2011, was 1,327,698.

BUTTE HIGHLANDS MINING COMPANY
FORM 10K
December 31, 2010

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PART I

Item 1. Description of Business

Forward-looking statements

This Form 10-K contains forward-looking statements. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance and underlying assumptions that are not statements of historical facts. This document and any other written or oral statements made by us or on our behalf may include forward-looking statements, which reflect our current views with respect to future events and financial performance. The words “believe,” “expect,” “anticipate,” “intends,” “estimates,” “forecast,” “project” and similar expressions identify forward-looking statements.

The forward-looking statements in this document are based upon various assumptions, many of which are based on management’s discussion and analysis or plan of operations and elsewhere in this report. Although we believe that these assumptions were reasonable when made, these statements are not guarantees of future performance and are subject to certain risks and uncertainties, some of which are beyond our control, and are difficult to predict. Actual results could differ materially from those expressed in forward-looking statements. Readers are cautioned not to place undue reliance on any forward-looking statements, which reflect management’s view only as of the date of this report.

History

Butte Highlands Mining Company (hereinafter “Butte” or “the Company”) was incorporated in May 1929 under the laws of the State of Delaware for the purpose of exploring and mining the Butte Highland’s (Only Chance) Mine, south of Butte, Montana. The Company ceased significant operations in 1942.

Between 1987 and 1996 the Company had been unable to have regular shareholder meetings because mailings to the addresses of shareholders of record were undeliverable because they were inadequate, incomplete or the shareholder was deceased or had moved and failed to change their addresses on the records of the Company. The last shareholder meeting, where there was a quorum present, had been held in 1987, which meeting was possible only because a court appointed a trustee to vote the shares of missing shareholders to satisfy the quorum requirements for a valid meeting.

September, 1996, the Superior Court of Washington for Spokane County appointed an independent trustee to represent and vote on behalf of the Company’s missing shareholders at a Special Meeting of Shareholders. The appointment of the trustee was made necessary because the Company had been unable to have regular shareholder meetings since 1987 due to the fact that the addresses of the holders of approximately 76% of the Company’s shares were inaccurate. Prior to the September, 1996 Special Meeting of Shareholders a Proxy Statement containing, among other items, a Notice of Special Meeting of Shareholders, complying with the notice information requirements of Section 222(a) of the Delaware General Corporate Law was mailed to shareholders within the time frame established by Section 222(b) of the Delaware General Corporate Law. In addition to the mailing of notice of the Special Meeting of Shareholders to the shareholders of record, the Company also published notice of the meeting in newspapers in Washington and Idaho in the two counties where many of the Company’s shareholders were last known to reside. Management having determined that the Company’s notice process had conformed to and complied with Section 222 of the Delaware General Corporation Act, held a Special Meeting of Shareholders on September 20, 1996, with the Trustees voting in favor of management’s proposal, the plan to amend the Articles of Incorporation and a related plan of recapitalization. Pursuant to the plan of recapitalization: (i) the capital stock of the Company would be divided into two classes of common stock, Class A Voting Common Stock (“Class A Stock”) and Class B Nonvoting Common Stock (“Class B Stock”); (ii) those stockholders of the Company who could be located would receive one share of Class A Stock for each issued and currently outstanding share of capital stock then owned by them; and (iii) those stockholders of the Company who could not be located would receive one share of Class B Stock, which would be held in trust for their benefit, for each issued and outstanding share of capital stock then owned by them; (iv) should any holder of Class B Stock (or his or her heirs or beneficiaries) be

located or make themselves known to the Company after initiation of the Plan, the trustee was authorized to issue such shareholders shares of Class A Stock in exchange for an equal number of Class B Stock. See Note 5 to financial statements.

On May 17, 2007 the Company entered into an Asset Purchase Agreement (“Agreement”) with Timberline Resources Company, an Idaho public company, for the sale of its remaining mining claims, consisting of six patented mining claims covering both surface and mineral rights, two patented mining claims (mineral only), eight unpatented claims located in Silver Bow County, Montana, known as the Butte Highlands Gold Project and certain related water rights and all papers, documents and instruments in the Company’s possession, custody or control relating or pertaining to the mining claims and water rights and water rights associated with certain permits issued by the State of Montana. The Company received \$405,000 in cash and 108,000 shares of Timberline Resources common stock valued at \$2.00 per share, for a total sale price of \$621,000. The sale resulted in a gain of \$601,378. The securities were restricted from sale for one year from the date of acquisition of May 17, 2007.

Pursuant to the terms of the Agreement, Timberline agreed to assume and discharge, and indemnify and hold our Company harmless against all debts, claims, liabilities and obligations under any lease or other agreement relating directly to purchased assets. Timberline expressly assumed all debts, claims, liabilities and obligations pertaining to the assets that arise from or were asserted from or after the closing of the sale, including but not limited to:

- (a) Debts, claims, liabilities or obligations arising or pertaining to any future required assessment work of the mining claims; and,
- (b) Debts, claims, liabilities, or obligations arising or pertaining to Timberlines exploration or development of the mining claims.

In addition, Timberline expressly assumed all of the following debts, claims, liabilities and obligations pertaining to the mining claims, whether they arose before or were asserted after the closing date of the purchase including :

- (a) Debts, claims, liabilities or obligations arising of pertaining to any violation or alleged violation of any environmental laws and debts, claims, liabilities or obligations arising or pertaining to any Environmental permit.

Under the terms of the agreement our Company acknowledged that it had been advised that it may be liable under Environmental laws for historical mining activities on the mining claims which comprised a portion of the assets purchased by Timberline. Pursuant to the terms of the Agreement, Timberline expressly assumed such liabilities.

Since the date of the closing of the Agreement, the Company no longer holds any mineral properties or claims. The Board of Directors intends to seek out an appropriate business opportunity and has not limited its search to any particular industry. Management believes it can identify opportunities in several sectors and will proceed with the appropriate diligence to create value for the shareholders. Our business is conducted from the office of our President, Paul Hatfield, in Spokane, Washington.

Because we have no operations and only nominal assets we are what the Securities and Exchange Commission defines as a shell company. At such time as we cease to be a shell company we will need to file a Form 8-K that contains the information that would be required in an initial registration statement on Form 10 to register a class of securities under Section 12 of the Securities Exchange Act of 1934. We will be required to file the Form 8-K within four business days after the closing of the transaction that results in our no longer being considered a shell company.

In 2009 we registered our shares under the Securities Exchange Act of 1934 (the “Exchange Act”) for the purpose of becoming a reporting company. The Company believes that it will be better able to finance its

operations if it is a reporting company. Management believes the benefits of becoming a reporting company include the ability to obtain support of market makers, facilitating or improving the terms on which additional equity financing may be sought, providing liquidity for stock options or similar benefits to key employees, and providing liquidity for all shareholders by qualifying to list on the NASDAQ supervised OTC Bulletin Board.

Employees

We currently have no employees. We intend to utilize the services of outside consultants and contractors to provide additional services to the Company.

Regulation

Environmental Matters

Because the Company was historically engaged in the mineral exploration industry, the possibility exists that the Company may have environmental liabilities. Management has no knowledge of any actions of the Company that might give rise to such potential liabilities, but there can be no assurance that the Company may not, at some future date, be deemed to have environmental liabilities, although the likelihood of such is deemed remote, and the amount and nature of any liabilities is impossible to estimate

Item 1A. Risk Factors

Not applicable, as the Company is a smaller reporting company, and is not required to provide the information required by this item.

Item 1B. Unresolved Staff Comments

Not applicable, as the Company is a smaller reporting company, and is not required to provide the information required by this item, however there were no unresolved staff comments during the year ended December 31, 2010.

Item 2. Properties

The Company does not hold an interest in any properties.

Item 3. Legal Proceedings

None.

Item 4. Removed and Reserved

PART II**Item 5. Market for Common Equity and Related Stockholder Matters**

a) Market Information. Our Class A Common Stock is quoted in the over-the-counter market in the Pink Sheets with the symbol BTHI. The following table sets forth the range of high and low bid prices for the years ended December 31, 2010 and 2009. These bid prices reflect inter-dealer prices without retail mark-up, mark-down or commission, and may not necessarily represent actual transactions.

	2009		2010	
	High	Low	High	Low
First Quarter	\$0.25	\$0.25	\$0.25	\$0.25
Second Quarter	0.25	0.25	0.25	0.25
Third Quarter	0.25	0.25	0.25	0.25
Fourth Quarter	0.25	0.25	0.25	0.25

b) Holders of Record. As of March 22, 2011, there were approximately 109 holders of record of the Company's Class A Common Stock.

c) Dividends. The Company has paid no dividends and has no plans to pay dividends in the foreseeable future, even if funds are available, as to which there is no assurance. There are no restrictions on the Company's ability to pay dividends.

Item 6. Selected Financial Data

Not applicable

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**Year ended December 31, 2010 compared to year ended December 31, 2009.***Result of Operations*

During 2010, the Company had net income of \$21,210 compared to a net loss of \$31,702 during 2009. This represents a gain of \$52,912 over the year ended December 31, 2009.

Total operating expenses decreased to \$43,201 in 2010 from \$50,026 in 2009. The difference is due primarily to decreased professional fees incurred in 2009 in connection with the preparation of the Registration Statement and periodic reports files in connection with the Company's registration under the Securities Exchange Act of 1934.

For 2010, the Company had net other income of \$67,518 compared to net other income of \$1,992 during 2009, which was attributed primarily to the sale of investment securities.

Liquidity and Capital Resources

The Company's working capital at December 31, 2010 was \$293,286 compared to working capital of \$221,208 at December 31, 2009. Working capital increased primarily due to gain on the sale of investment securities.

Net cash used in operating activities was \$22,387 in 2010 compared with \$34,547 in 2009.

Cash flow from investing activities was \$116,832 in 2010, compared with zero in 2009.

Cash flow from financing activities was zero in 2010, remaining unchanged from 2009.

As a result, cash increased by \$94,445 in 2010. The Company had cash of \$296,941 as of December 31, 2010.

The Company estimates that the annual costs associated with being a reporting public company will be approximately \$40,000. This amount is comprised of accounting fees of approximately \$35,000 and legal fees of \$5,000. In addition the Company estimates that it will incur approximately \$10,000 per year to seek a business opportunity to acquire and up to an additional \$50,000 to acquire any such business opportunity once identified. It will not be necessary for the Company to raise additional capital to continue its business activities in the next twelve months.

Critical Accounting Policies

In the notes to the audited consolidated financial statements for the year ended December 31, 2010 included in the Company's Form 10-K, the Company discussed those accounting policies that are considered to be significant in determining the results of operations and our financial position. We believe that the accounting principles utilized by us conform to accounting principles generally accepted in the United States of America.

The preparation of financial statements requires management to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. By their nature, these judgments are subject to an inherent degree of uncertainty. On an on-going basis, we evaluate our estimates, such as those related to bad debts, inventories, intangible assets, warranty obligations, product liability, revenue, and income taxes. We base our estimates on historical experience and other facts and circumstances that are believed to be reasonable, and the results form the basis for making judgments about the carrying value of assets and liabilities. The actual results may differ from these estimates under different assumptions or conditions.

Item 8. Financial Statements



To the Board of Directors and Stockholders

Butte Highlands Mining Company

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have audited the accompanying balance sheets of Butte Highlands Mining Company as of December 31, 2010 and 2009, and the related statements of operations and comprehensive income (loss), stockholders' equity and cash flows for each of the years in the two-year period ended December 31, 2010 and for the period from May 18, 2007, (inception of development stage) to December 31, 2010. Butte Highlands Mining Company's management is responsible for these financial statements. 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. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, 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. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Butte Highlands Mining Company as of December 31, 2010 and 2009, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2010 and for the period from May 18, 2007, (inception of development stage) to December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

Behler Mick PS

Spokane, Washington

March 10, 2011

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
BALANCE SHEETS

	December 31 2010	December 31 2009
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 296,941	\$ 202,496
Accrued interest	-	1,109
Refund receivable	-	19,478
Total Current Assets	<u>296,941</u>	<u>223,083</u>
PROPERTY AND EQUIPMENT		
Equipment	4,338	4,338
Less: accumulated depreciation	(4,267)	(4,159)
Total Property and Equipment	<u>71</u>	<u>179</u>
OTHER ASSETS		
Investments	-	116,640
Total Other Assets	<u>-</u>	<u>116,640</u>
TOTAL ASSETS	<u>\$ 297,012</u>	<u>\$ 339,902</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 548	\$ 1,875
Income tax payable	3,107	-
Total Current Liabilities	<u>3,655</u>	<u>1,875</u>
COMMITMENTS AND CONTINGENCIES	<u>-</u>	<u>-</u>
STOCKHOLDERS' EQUITY		
Common stock, Class A, \$0.01 par value 23,292,907 shares authorized; 1,317,948 shares issued and outstanding	13,179	13,179
Common stock, Class B, \$0.01 par value 1,707,093 shares authorized; 1,663,941 shares issued and outstanding	16,640	16,640
Additional paid-in capital	242,632	242,632
Accumulated income prior to development stage	476,706	476,706
Accumulated deficit during development stage	(455,800)	(477,010)
Other comprehensive income	-	65,880
Total Stockholders' Equity	<u>293,357</u>	<u>338,027</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 297,012</u>	<u>\$ 339,902</u>

The accompanying notes are an integral part of these financial statements.

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
STATEMENTS OF OPERATION

	Year Ended December 31		Period from May 18, 2007 (Inception of Development Stage) to December 31,
	2010	2009	2010
MINERAL LEASE REVENUES	\$ -	\$ -	\$ -
OPERATING EXPENSES			
Professional fees	38,366	45,703	143,525
Depreciation	109	382	1,224
Officers & directors fees	1,000	1,000	3,000
General and administrative	3,726	2,941	27,339
TOTAL OPERATING EXPENSES	<u>43,201</u>	<u>50,026</u>	<u>175,088</u>
INCOME (LOSS) FROM OPERATIONS	(43,201)	(50,026)	(175,088)
OTHER INCOME (EXPENSES)			
Interest income	1,165	1,992	8,923
Interest expense	-	-	(553)
Other income	740	-	740
Other expense	(459)	-	(459)
Other than temporary impairment of investment	-	-	(165,240)
Gain on sale of investment	66,072	-	66,072
TOTAL OTHER INCOME (EXPENSES)	<u>67,518</u>	<u>1,992</u>	<u>(90,517)</u>
INCOME (LOSS) BEFORE TAXES	<u>24,317</u>	<u>(48,034)</u>	<u>(265,605)</u>
INCOME TAXES			
Income tax benefit	-	16,332	(15,501)
Tax expense	(3,107)	-	(174,694)
	<u>(3,107)</u>	<u>16,332</u>	<u>(190,195)</u>
NET INCOME (LOSS)	\$ <u>21,210</u>	\$ <u>(31,702)</u>	\$ <u>(455,800)</u>
OTHER COMPREHENSIVE INCOME (LOSS)			
Unrealized gain (loss) on available for sale securities	<u>-</u>	<u>65,880</u>	<u>-</u>
COMPREHENSIVE INCOME (LOSS)	<u>21,210</u>	<u>34,178</u>	<u>(455,800)</u>
NET LOSS PER COMMON SHARE, BASIC AND DILUTED	\$ <u>0.01</u>	\$ <u>nil</u>	
WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING, BASIC AND DILUTED	<u>2,981,889</u>	<u>2,981,889</u>	

The accompanying notes are an integral part of these financial statements.

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
STATEMENT OF STOCKHOLDERS' EQUITY

	Class A		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Other Comprehensive Income	Total Stockholders Equity
	Shares	Amount	Shares	Amount				
Balance, December 31, 2006	817,948	\$ 8,179	\$ 1,663,941	\$ 16,640	\$ 212,632	\$ (122,704)	\$ -	\$ 114,747
Class A common stock issued for cash at \$0.07 per share	500,000	5,000			30,000			35,000
Unrealized gain on available for sale securities							232,200	232,200
Net income for year ending December 31, 2007	-	-	-	-	-	346,964	-	346,964
Balance, December 31, 2007	1,317,948	\$ 13,179	\$ 1,663,941	\$ 16,640	\$ 242,632	\$ 224,260	\$ 232,200	\$ 728,911
Unrealized loss on available for sale securities							(232,200)	(232,200)
Net income for period ending December 31, 2008 (restated)	-	-	-	-	-	(192,862)		(192,862)
Balance, December 31, 2008	1,317,948	\$ 13,179	\$ 1,663,941	\$ 16,640	\$ 242,632	\$ 31,398	\$ -	\$ 303,849
Unrealized gain on available for sale securities							65,880	65,880
Net income for period ending December 31, 2009	-	-	-	-	-	(31,702)		(31,702)
Balance, December 31, 2009	1,317,948	\$ 13,179	\$ 1,663,941	\$ 16,640	\$ 242,632	\$ (304)	\$ 65,880	\$ 338,027
Unrealized loss on available for sale securities							(65,880)	(65,880)
Net income for period ending December 31, 2010	-	-	-	-	-	21,210		21,210
Balance, December 31, 2010	<u>1,317,948</u>	<u>\$ 13,179</u>	<u>\$ 1,663,941</u>	<u>\$ 16,640</u>	<u>\$ 242,632</u>	<u>\$ 20,906</u>	<u>\$ -</u>	<u>\$ 293,357</u>

The accompanying notes are an integral part of these financial statements.

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
STATEMENTS OF CASH FLOWS

	Year Ended December 31		Period from May 18, 2007 (Inception of Development Stage) to December 31 2010
	2010	2009	2010
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ 21,210	\$ (31,702)	\$ (455,800)
Adjustments to reconcile net income (loss) to net cash			
provided (used) by operating activities:			
Depreciation	109	382	1,224
Gain on sale of investments	(66,072)	-	(66,072)
Other than temporary impairment of investment	-	-	165,240
Changes in assets and liabilities:			
Decrease (increase) in prepaid expense	-	1,000	961
Decrease (increase) in deferred tax asset	-	-	50,830
Decrease (increase) in interest receivable	1,109	(1,109)	-
Decrease (increase) in refund receivable	19,478	(481)	-
Increase (decrease) in accounts payable	(1,328)	(2,637)	548
Increase (decrease) in income tax payable	3,107	-	3,107
Net cash used by operating activities	<u>(22,387)</u>	<u>(34,547)</u>	<u>(303,069)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash paid for equipment purchased	-	-	(543)
Cash received for mining claims	-	-	405,000
Cash received for sale of investment	<u>116,832</u>	<u>-</u>	<u>116,832</u>
Net cash used by investing activities	<u>116,832</u>	<u>-</u>	<u>521,289</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Cash received from sale of common stock	<u>-</u>	<u>-</u>	<u>35,000</u>
Net cash used by financing activities	<u>-</u>	<u>-</u>	<u>35,000</u>
INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	94,445	(34,547)	253,220
Cash, beginning of period	<u>202,496</u>	<u>237,043</u>	<u>40,614</u>
Cash, end of period	<u>\$ 296,941</u>	<u>\$ 202,496</u>	<u>\$ 293,834</u>
SUPPLEMENTAL CASH FLOW INFORMATION:			
Interest paid	<u>\$ -</u>	<u>\$ -</u>	
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>	
NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Investment received for mining claims	\$ -	\$ -	\$ 216,000

The accompanying notes are an integral part of these financial statements.

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Butte Highlands Mining Company (hereinafter “Butte” or “the Company”) was incorporated in May 1929 under the laws of the State of Delaware for the purpose of exploring and mining the Butte Highland’s (Only Chance) Mine, south of Butte, Montana. The Company was reorganized in October 1996 for the purpose of acquiring and developing mineral properties. As of the date of reorganization, stockholders representing approximately 76% of the outstanding capital stock could not be located. In order to obtain the quorum necessary for the special meetings, the Company obtained an order from the Superior Court of Spokane County, Washington appointing a trustee for the benefit of those stockholders which could not be located. See Note 4.

As of May 17, 2007 the Company no longer holds any mineral properties or claims, and has reentered the development stage. The Board of Directors intends to seek out an appropriate business opportunity and has not limited its search to any particular industry. Management believes it can identify opportunities in several sectors and will proceed with the appropriate diligence to create value for the shareholders. Operations are primarily conducted from the Company headquarters in Spokane, Washington.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Butte Highlands Mining Company is presented to assist in understanding the Company’s 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 and have been consistently applied in the preparation of the financial statements.

Accounting Method

The Company’s financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Marketable Securities

The Company accounts for marketable securities as required by ASC 320 Investments – Debt & Equity Topic of the FASB Accounting Standards Codification. At acquisition, an entity shall classify debt securities and equity securities into one of the following three categories:

Held to Maturity – the positive intent and ability to hold to maturity. Amounts are reported at amortized cost, adjusted for amortization of premiums and accretion of discounts.

Trading Securities – bought principally for purpose of selling them in the near term. Amounts are reported at fair value, with unrealized gains and losses included in earnings.

Available for Sale – not classified in one of the above categories. Amounts are reported at fair value, with unrealized gains and losses excluded from earnings and reported separately as a component of stockholders’ equity.

The Company held securities classified as available for sale until sold in 2010. See “Note 3, Investments” for further details.

BUTTE HIGHLANDS MINING COMPANY
(A Development Stage Company)
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2010

Earnings Per Share

Basic net income/loss per share was computed by dividing the net income/loss by the weighted average number of shares outstanding during the year. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time they were outstanding. The Company presents EPS on a combined basis because Class B common stock has all of the rights and privileges of Class A common stock, except for voting rights. See Note 1 and 4. Additionally, if the two class method were used the EPS would be identical.

Cash Equivalents

The Company considers cash, certificates of deposit, and debt instruments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment

Fixed assets are recorded at cost. Depreciation is calculated using the straight line method over the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments are capitalized. When items of property and equipment are sold or retired, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is included in the results of operations. Depreciation expense for the years ended December 31, 2010 and 2009 was \$109 and \$382, respectively.

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published, and the reported amounts of revenues and expenses during the reporting period.

Uncertainties with respect to such estimates and assumptions are inherent in the preparation of the Company's financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions and could have a material effect on the reported amounts of the Company's financial position and results of operations.

Fair Value of Financial Instruments

The Company's financial instruments as defined by FASB ASC 825-10-50, include cash, receivables, accounts payable and accrued expenses. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at December 31, 2010.

FASB ASC 820 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. FASB ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1 - Observable inputs such as quoted prices in active markets;

Level 2 - Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly;
and

Level 3 - Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Company measured its investment at fair value on a recurring basis, until sold. See Note 3.

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Recent Accounting Pronouncements

In February 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2010-09, *Subsequent Events (Topic 855): Amendments to Certain Recognition and Disclosure Requirements*. This Update amends to Subtopic 855-10, Subsequent Events – Overall, to require SEC filers to evaluate subsequent events through the date that the financial statements are issued.

In January 2010, the FASB issued Accounting Standards Update 2010-06, *Fair Value Measurements and Disclosures* (Topic 820). This Update provides amendments to Subtopic 820-10, Fair Value Measurements and Disclosures – Overall, that require new disclosures and clarify existing disclosures. The amendments in this Update are effective for interim and annual periods beginning after December 15, 2010.

Provision for Taxes

Income taxes are provided based upon the liability method of accounting pursuant to ASC 740-10-25 Income Taxes – Recognition. Under the 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 deferred tax assets if management does not believe the Company has met the “more likely than not” standard imposed by ASC 740-10-25-5 to allow recognition of such an asset. See Note 6.

NOTE 3 - INVESTMENTS

The Company held securities classified as available for sale. Amounts held at December 31, 2009 are reported at fair value, with unrealized gains and losses excluded from earnings and reported separately as a component of stockholders' equity. The cost of securities sold is based on the specific identification method; realized gains and losses resulting from such sales are included in investment income.

Investment securities are reviewed for impairment in accordance with ASC 320-10-35. We periodically review our investments for indications of other than temporary impairment considering many factors, including the extent and duration to which a security's fair value has been less than its cost, overall economic and market conditions, and the financial condition and specific prospects for the issuer. Impairment of investment securities results in a charge to income when a market decline below cost is other than temporary.

As a result of the Company's assessment, the Company determined that the decline in market value of Timberline Resources was an other-than-temporary impairment. Accordingly, the Company recorded an other than temporary impairment charge of \$165,240 at December 31, 2008 and recognized an unrealized gain for the year ended December 31, 2009 of \$65,880. All available for sale securities were sold during the year ended December 31, 2010.

NOTE 4 – COMMON STOCK

Upon formation in 1929, the Company issued 1,500,000 shares of its common stock in exchange for mineral claims. During 1937, the Company's total authorized common stock was increased to 2,500,000 under a reorganization plan.

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During 1996, due to a long period of inactivity, stockholders representing approximately 76% of the outstanding common stock of the Company could not be located. The Company obtained an order from the Superior Court of Spokane County, Washington appointing a “trustee for the benefit of those stockholders who cannot be located”. After obtaining this order, the Company adopted a plan of reorganization. Under this plan of reorganization, the Company increased authorized common stock to 25,000,000 shares of which 23,292,907 were designated as Class A voting common stock and 1,707,093 were designated as Class B nonvoting common stock. All of the Company’s locatable stockholders received share-for-share Class A voting common stock. All of the Company’s unlocated stockholders received share-for-share Class B nonvoting common stock, which is held in trust for missing shareholders pending knowledge of their location.

If a previously unlocated recorded owner or beneficiary of a record owner is subsequently located, they must present satisfactory evidence and presentation of a share certificate or an “Affidavit of Loss” with an agreement to indemnify the Company for any future damage as a result of the certificate having been sold or transferred but not lost. Upon satisfaction of these requirements, Class A voting common stock will be issued share-for-share in exchange for the Class B nonvoting common stock. The relevant shares of Class B nonvoting common stock will then be cancelled. As of December 31, 2008 and 2007, there were 1,317,948 and 1,317,948 shares of Class A voting common stock issued and outstanding, respectively and 1,663,941 shares of Class B nonvoting common stock issued and outstanding.

During the year ended December 31, 2007, the Company issued 500,000 shares of Class A common stock to two directors for \$35,000 in cash, according to the Company’s stock option plan.

During the year ended December 31, 2008, the Company did not issue any shares of common stock.

During the year ended December 31, 2009, the Company did not issue any shares of common stock.

During the year ended December 31, 2010, the Company did not issue any shares of common stock.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Company utilizes office facilities provided by its president. The value of the office facilities provided by the Company’s president is nominal and immaterial to the financial statements.

The Company’s two directors were each paid \$500 annually for services to the Company during the periods ended December 31, 2010 and December 31, 2009.

NOTE 6 – INCOME TAXES

The following is a reconciliation of income tax, computed at federal statutory rate, to the provision for taxes for the periods ended December 31, 2010 and December 31, 2009.

	2010		2009	
	Amount	Percent	Amount	Percent
Statutory Federal tax (benefit)	\$ 3,107	15.0%	\$ 7,205	15%
Valuation allowance	-	-	9,127	19%
Net deferred tax asset	<u>\$ 3,107</u>	<u>15.0%</u>	<u>\$ 16,332</u>	<u>34%</u>

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for income tax purposes. Significant components of the Company’s deferred tax assets as of December 31, 2010 and 2009 are as follows:

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December 31, 2010

	December 31, 2010	December 31, 2009
Deferred tax assets:		
Unrealized loss on investments	\$ -	\$ 56,182
Deferred tax asset:	-	56,182
Valuation allowance for deferred asset	-	(56,182)
Net deferred tax asset	\$ -	\$ -

At December 31, 2010, the Company had net operating loss carryforwards of approximately \$0. The change in the allowance account from December 31, 2009 to December 31, 2010 was \$56,182.

NOTE 7 – SUBSEQUENT EVENTS

For the period ended December 31, 2010, there were no recognizable or non-recognizable subsequent events. Subsequent events have been evaluated through the date the financial statements were issued.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures**EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES**

In connection with the preparation of this annual report on Form 10-K, an evaluation was carried out by the Company's management, with the participation of the Chief Executive Officer/ Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act")) as of December 31, 2010. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management, including the Principal Executive Officer and the Principal Financial Officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, the Company's management concluded, as of the end of the period covered by this report, that the Company's disclosure controls and procedures were not effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Securities and Exchange Commission's rules and forms.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process, under the supervision of the Principal Executive Officer/ Financial Officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with United States generally accepted accounting principles (GAAP). Internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company's assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the Board of Directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management conducted an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2010, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). As a result of this assessment, management identified a material weakness in internal control over financial reporting.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weakness identified is described below.

Lack of Appropriate Independent Oversight. The board of directors has not provided an appropriate level of independent oversight of the Company's consolidated financial reporting and procedures for internal control over financial reporting. The independent directors do not provide oversight of the adequacy of financial reporting and internal control procedures. In addition, due to insufficient staffing and the lack of full-time personnel, it was not possible to ensure appropriate segregation of duties between two incompatible functions, and formalized monitoring procedures have not been established or implemented.

As a result of the material weakness in internal control over financial reporting described above, the Company's management has concluded that, as of December 31, 2010, the Company's internal control over financial reporting was not effective based on the criteria in Internal Control – Integrated Framework issued by COSO.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. We were not required to have, nor have we, engaged our independent registered public accounting firm to perform an audit of internal control over financial reporting pursuant to the rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

As of the end of the period covered by this report, there have been no changes in internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter ended December 31, 2010, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information

None

PART III

Item 10. Directors, Executive Officers and Corporate Governance

(a) Identification of Directors and Executive Officers are as follows:

Name	Age	Affiliation with Registrant	Expiration of Term
Paul A. Hatfield	47	President, Director , Principal Acctg Officer	Annual meeting
Susan Ann Robinson-Trudell	49	Vice President, Director	Annual meeting
Doris Marie Prater	84	Secretary, Director	Annual meeting

Business Experience of Directors and Executive Officers

Paul A. Hatfield has been a Director of the Company since 1986. From 1986 to 1991 Mr. Hatfield served as the Company's Vice President and has served as the President of the Company since 1991. From 1989 to 2003 Mr. Hatfield served as the Vice-President of Mining for N. A. Degerstrom, Inc. From April 2003 until May, 2005 Mr. Hatfield was employed as a project manager for Old Castle Corporation. From May 2005 to the present Mr. Hatfield has been employed by Spokane Rock Products, Inc as the Asphalt Manager. Mr. Hatfield is a graduate of Montana Tech of the University of Montana with a Bachelor of Science degree. Mr. Hatfield also serves as the Company's principal financial officer.

Susan Ann Robinson-Trudell has been a Director and Vice-President of the Company since 1991. Since 2004, Ms. Robinson –Trudell has been the Director of the Nevada Cancer Institute From 1997 to 2004 she served as the Executive Director of the American Cancer Society. Ms. Robinson –Trudell is graduated from the University of California at Santa Barbara with a Bachelor of Arts Degree. She received her M.B.A. from the University of Nevada and is currently enrolled in post-graduate study at Duke University. Ms. Robinson-Trudell is the sister of Paul Hatfield, the President of the Company.

Doris Marie Prater has been a Director of the Company since 1984. For the past twenty-five years Ms. Prater has been employed as a secretary by Opportunities, Inc. a privately held company in Great Falls, Montana.

Board Committees

The Board of Directors has no standing audit, nominating or compensation committees, as the entire board performs the function of each of these committees. The Company adopted a Code of Ethics in early 2010 for its President and Senior Financial Officers.

Compliance with Section 16(a) of the Exchange Act

Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to the Company pursuant to Section 240.16a-3 during the most recent fiscal year, and Form 5 and amendments thereto furnished to the Registrant with respect to the most recent fiscal year, no person who at any time during the fiscal year was a director, officer, or beneficial owner or more than ten percent of any class of equity securities of the Company failed to file on a timely basis, as disclosed in the above Forms, reports required by Section 16(a) of the Exchange Act during the most recent fiscal year or prior fiscal years, except Paul A. Hatfield (one report – Form 3), Susan Anne Robinson-Trudell (one report – Form 3), Doris Marie Prater (one report –Form 3).

Item 11. Executive Compensation

During the years ended December 31, 2010 and December 31, 2009, Susan Ann Robinson-Trudell and Doris Marie Prater each received a Directors fee of \$500. Mr. Hatfield receives no compensation for serving as a director of the Company. No officers were compensated by the Company for the years ended December 31, 2010 and December 31, 2009. In addition, the Company provided no stock options, warrants, or stock appreciation rights, and there are no employment contracts, incentive pay agreements or outstanding options with any officer or director.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

(a) Security ownership of certain beneficial owners:

At March 1, 2011, one person of record owned more than 5% of the Company's common stock as follows:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (1)
Class A Common	Paul A. Hatfield	875,566 direct	66.43
(1) Based upon 1,317,948 total Class A Common Shares outstanding at March 1, 2011			

(b) Security Ownership of Management:

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (1)
Class A Common	Paul A. Hatfield	875,566 direct	66.43
Class A Common	Susan Ann Robinson-Trudell	14,000 direct	1.06
	Directors and Executive Officers as a Group (2)		67.49
Class A Common		899,566 direct	
(1) Based upon 1,317,948 total common shares outstanding as of March 1, 2011			
(2) Three individuals			

(c) No arrangements are in place for a change in control of the Company.

Item 13. Certain Relationships and Related Transactions

There have been no transactions or series of transactions, or proposed transactions during the last two years to which the Registrant is a party in which any Director, nominee for election as a Director, executive officer or beneficial owner of five percent or more of the Registrant's common stock, or any member of the immediate family of the foregoing had or is to have a direct or indirect material interest exceeding \$60,000.

Neither Paul A. Hatfield nor Susan Robinson-Trudell are independent directors. Doris Prater is the only independent member of the Board of Directors.

Item 14. Principal Accountant Fees and Services*Audit Fees*

The aggregate fees billed for professional services rendered by the Company's principal accountant for the audit and the reviews of the Company's financial statements in 2010 and 2009 were \$19,840 and \$32,062, respectively.

Audit Related Fees

The Company incurred no fees during the last two fiscal years for assurance and related services by the Company's principal accountant that were reasonably related to the performance of the audit or review of the Company's financial statements, and not reported under "Audit Fees" above.

Tax Fees

During the last two fiscal years, the Company incurred \$1,809 in 2010 and \$1,536 in 2009 for professional services rendered by the Company's principal accountant for tax compliance, tax advice or tax planning.

All Other Fees

The Company incurred no other fees during the last two fiscal years for products and services rendered by the Company's principal accountant.

Our pre-approval policies and procedures for the board, acting in lieu of a separately designated, independent audit committee, described in paragraph (c)(7)(i) of Rule 2-01 of Regulation S-X were that the audit committee pre-approve all accounting related activities prior to the performance of any services by any accountant or auditor.

The percentage of hours expended on the principal accountant's engagement to audit our financial statements for the most recent fiscal year that were attributed to work performed by persons other than the principal accountant's full time, permanent employees was 0%.

PART IV**Item 15. Exhibits**

Exhibit No.	Description
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Hatfield
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, Hatfield
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Hatfield
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Hatfield

BUTTE HIGHLANDS MINING COMPANY
FORM 10K
December 31, 2010

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BUTTE HIGHLANDS MINING COMPANY
(Registrant)

/s/ Paul A. Hatfield

By: _____

Paul A. Hatfield

President (Principal Executive Officer) and Principal Financial Officer

Date: March 31, 2011

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

/s/ Paul A. Hatfield

By: _____

Paul A. Hatfield

Director and President (Principal Executive Officer) and Principal Financial Officer

Date: March 31, 2011

/s/ Susan Ann Robinson-Trudell

By: _____

Susan Ann Robinson-Trudell

Director

Date: March 31, 2011

/s/ Doris Marie Prater

By: _____

Doris Marie Prater

Director

Date: March 31, 2011

CERTIFICATIONS

I, Paul A. Hatfield certify that:

1. I have reviewed this annual report on Form 10-K of Butte Highlands Mining Company
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 (the registrant's fourth fiscal 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(s) 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 (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 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: March 31, 2011

By: /s/ Paul A. Hatfield

Paul A. Hatfield
Chief Executive Officer & Principal Executive Officer

CERTIFICATIONS

I, Paul A. Hatfield certify that:

1. I have reviewed this annual report on Form 10-K of Butte Highlands Mining Company
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 (the registrant's fourth fiscal 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(s) 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 (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 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: March 31, 2011

By: /s/ Paul A. Hatfield

Paul A. Hatfield
Chief Accounting Officer
Principal Accounting Officer

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 Butte Highland Mining Company (the “Company”) on Form 10-K for the period ended December 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Paul A Hatfield, Chief Executive Officer and Chief 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 the Company.

Date: March 31, 2011

By: /s/ Paul A. Hatfield

Paul A. Hatfield
Chief Executive Officer & Chief Financial Officer
Principal Executive and Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code) and is not being filed as part of the Report or as a separate disclosure document.

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 Butte Highland Mining Company (the “Company”) on Form 10-K for the period ended December 31, 2010, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Paul A Hatfield, Chief Executive Officer and Chief 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 the Company.

Date: March 31, 2011

By: /s/ Paul A. Hatfield

Paul A. Hatfield
Chief Executive Officer & Chief Financial Officer
Principal Executive and Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code) and is not being filed as part of the Report or as a separate disclosure document.