



## **Teryl Resources Working With Closeology and Superlatives**

By Doug Hadfield

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Teryl Resources Corp. (TSXV: TRC) operates within the intelligent realm of closeology and superlatives in Alaska and Arizona. By closeology I mean, of course, that the company is exploring for gold and copper very close to existing or previously producing mines. By “superlative” I mean that these mines are exceptionally large and profitable.

At Gold Hill, for example, Teryl is drilling three targets just three miles away from Phelps Dodge Corp.’s Lavender Pit. If you know mining or tourism, then you know that Lavender Pit was one of the biggest mines in the world. Between 1954 and 1970, Phelps Dodge extracted 75 million tons of gold, copper and silver ore from this open pit mine of giant proportions. Check out the satellite photographs on Google – it’s a sight to behold.

At Lavender Pit, mineralization was low-grade disseminated chalcocite with local spots of other copper and zinc sulfides. The deposit evenly blanketed the area in a brecciated intrusive porphyry plug adjoining altered Paleozoic limestones along the Dividend fault. Freeport-McMoRan Copper & Gold Inc. has fired up the drills at Lavender Pit again due to the historically high copper prices caused by the present superbull in mineral commodities. Freeport-McMoRan paid \$26 Billion for Philips Dodge in March this year.

At this stage, it may be difficult to say that the mineralization at Gold Hill is the same or similar geological structure to Lavender Pit or the large low-grade Cochise Project area – hence the current drill program. As well, Teryl announced in April that it had purchased aeromagnetic data for the project area, and that the information from that lead to a recommendation of an induced polarization survey, to test for the presence of disseminated sulphides at depth.

To date, rock samples collected on the property have indicated mineralization up to 2.54% copper. According to Teryl Resources’ president and CEO, John Robertson, drilling is to commence “soon this year – as soon as a drill is available.” John told me this when we met recently for coffee to discuss Teryl’s upcoming growth strategy.

The theme of superlatives continues in Alaska, where Teryl has options on several properties, including a 20% interest (Kinross Gold holds the other 80%) on the Gil Claims. The Gil property covers 2,700 hectares and is actually adjacent to the Fort Knox Deposit – Kinross Gold’s operating mine, which is the largest gold mine in Alaska. The True North Mine, also operated by Kinross, is less than 10 miles away.

John says, “The key to these mining properties is infrastructure. Not only the infrastructure, but the accessibility. For example, Global Gold is going to spend \$2 billion

to put their mine into production because the infrastructure's not there. This property is right off the highway. The workers can stay in Fairbanks.”

According to Kinross' technical report, the Fort Knox area has been actively explored for placer gold deposits since 1902, when Felix Pedro discovered gold in Fish Creek located downstream of the Fort Knox deposit. Since that initial discovery, the Fairbanks Mining district has produced in excess of 8 million ounces of gold.

Teryl Resources acquired the Gil claims in 1989, and in 1991 entered into a joint venture with Fairbanks Gold Mining Incorporated (FGMI) and Melba Creek Mining Company Inc. (MCMI). Fairbanks Gold Corporation was subsequently acquired by Amax Gold, Cyprus Amax, and finally Kinross Gold. FGMI and MCMI are both wholly owned subsidiaries of Kinross Gold. As such, one wonders about the fate of Teryl Resources with a partner such as Kinross so close and so hungry for talent and resources. By way of comparison, consider that Kinross' nearby True North gold deposit (located two miles north of Teryl's West Ridge property) was purchased by Kinross in 1999 for \$94 million in cash and stock.

With the development of the nearby Fort Knox mine beginning in the early 90s, continued exploration of the Gil claims was a natural progression for both Kinross and Teryl. On the Main Gil and Gil North Zones, exploration identified widespread structurally-controlled gold mineralization. Extensive drilling, sampling, and trenching between 1992 and 2004 also defined the extent of gold mineralization in these areas and developed numerous exploration targets.

In 1999, Kinross Gold and Teryl Resources announced a preliminary, non-43-101 compliant resource calculation for the Gil project. Indicated and inferred resources were estimated at 10.7 million tons grading 0.040 ounces per ton gold – 433,400 ounces. That is at present very liberally valued at \$60 million in-situ (in the ground), or \$1.50 per share. Last time I looked, which was the morning of September 24<sup>th</sup>, Teryl was trading at \$0.17. Of course, when I say “in-situ”, I mean there are millions in costs associated with bringing any mineral resource to production.

In this case, however, it behooves us to point out that having Kinross as a partner will actually save Teryl millions in costs, should any future resource be brought to production: Kinross has a large mill already onsite with a capacity of 50,000 tonnes per day. All the infrastructure such as roads, accommodations, utilities, etc., are in place at Gil.

John commented on the importance of the Gil project to both Teryl and Kinross: “The stage we're at with Kinross Gold is they're evaluating the property for additional targets to be drilled next year. There's a possibility of drilling this year which depends on availability of drill rigs and getting their budget approved.

“Kinross is aggressively seeking additional ore to feed its Fort Knox mill. What we want to do now is increase the tonnage. There's a possibility of the zone extending further to the north and maybe to the east as well. If we can increase the reserves to 1 million ounces gold, it would be worth it for them to ship it to their nearby mill.”

*Doug Hadfield is the Chief Editor of the Resource Investor, an internationally distributed newsletter specializing in identifying as-yet-undiscovered resource companies representing the best in their class. For more information, visit the website [www.resourceinvestor.com](http://www.resourceinvestor.com).*

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