

# Teryl Resources Intent on Replicating Strategy of \$15 Million Sale of the Gil Venture to Kinross Gold

*Strong financial position will be used to explore portfolio of precious metals properties*

A 20-year relationship with mining giant Kinross Gold paid off handsomely in December when Teryl Resources Corp. (TSX.V: TRC; OTC BB: TRYLF; Frankfurt: TRZ) sold its 20% working interest in the Gil Venture gold property to Kinross Gold's subsidiary, Fairbanks Gold Mining Inc., for \$15 million plus ongoing royalties.

With a \$2.5 million down payment in hand, another \$1.5 million to be paid on commencement of production, and a guarantee of significant future net smelter income, Teryl is in an undeniably enviable financial position.

Under the terms of the agreement, Teryl will earn a 1% royalty of net smelter returns until \$15 million is received and thereafter a 0.5% royalty of net smelter returns for the remainder of the life of the Alaskan mine.

"The stress and constant challenge of raising money is gone," says Teryl President and CEO John Robertson. "We are in a beautiful position to focus on developing our other properties in Alaska and British Columbia."

## Westridge to Lead 2012 Gold Exploration Program

Teryl Resources' Alaskan properties – Westridge, Fish Creek and Stepovich – all have proven gold mineralization and lie within the same area as the Gil, offering the clear potential for similar exploitation. As Robertson says so succinctly, the company's main challenge now is to discover just how large those deposits are.

In February, Teryl applied for an exploration program permit to drill five promising targets at its 5,200-acre Westridge property. The goal is to test for both placer and load targets.

Teryl's 100%-owned Westridge property is completely road accessible and located within the Dome Creek area of Alaska's Fairbanks Mining District – a northeast-trending belt of lode and placer gold deposits that comprise one of Alaska's largest gold producing areas.

Historically, creeks in the district were mined extensively for placer gold. Even long after the state's historic gold rush in the late 1800s, the precious metal continues to generate a significant economic impact with gold production now standing at about 40 million ounces.

And although placer mining continues to this day, most of the state's gold production is now from large mines – the state's annual gold production reached about 800,000 ounces in 2008, much of it from Kinross Gold's open-pit Fort Knox mine. New gold deposits continue to be found, most recently at Sumitomo Metal Mining's Pogo mine, where a new 40-ton gold deposit was announced in March 2012.

Significantly, Teryl's Westridge property lies just eight miles northwest

of the producing Fort Knox gold mine which still holds almost 6 million ounces of gold (proven, probable, measured and indicated) – and adjoins the True North gold deposit (~450,000 ounces of gold) and. Both are owned and operated by Kinross Gold.

Teryl plans to spend about \$200,000 on the Westridge drilling program with money it already has in hand, thanks to the Kinross deal. Initially, the exploration program will include 2,000 feet of shallow core drilling with follow-up, larger scale reverse circulation drilling that will test more in depth initial positive results. About 600 feet of placer drilling is also scheduled.

Lode targets include the Old Glory and Black Dome Prospects, as well as the West, East and Moose Creek Anomalies. Of these, only Moose Creek has not been drill-tested in the past.

Previous trenching and drilling at Old Glory identified a 300 by 300 foot area that open in all directions and averages more than 50 ppb gold with individual assays grading up to 1,155 ppb gold. The best drill intercepts to date consist of 35 feet grading 0.49 opt gold.

The Black Dome Prospect lies along the same fault forming the southern boundary of Kinross Gold's True North Deposit and hosts a pattern of gold mineralization similar to that of the True North.

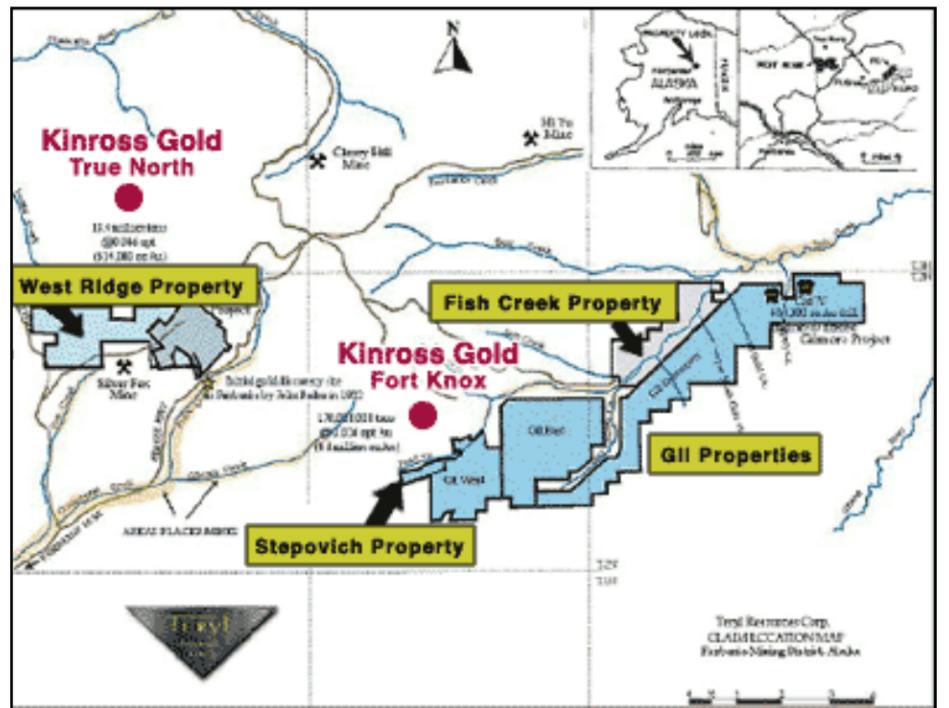
Soil testing of the West Anomaly has identified a 4,000 by 3,000 square foot area of more than 50 ppb gold. Previous drilling intercepted 20 feet of 0.033 opt gold and 10 feet of 0.04 opt gold. Moose Creek lies along the same trend. The East Anomaly contains a 7,000 foot long mineralized zone of up to 1.64 ppm gold.

"Our past work hit very economic results," says Robertson. "This is a great property with huge anomalies."

## Drill Programs Planned for Mid-2012 at Silverknife and Fish Creek Properties

Assuming renewal of its Ministry of Energy and Mines drill permit, Teryl is planning a \$360,000 multi-phase work program at its Silverknife property in summer 2012. The company holds a 40% interest in the northern British Columbia silver property, which lies adjacent to Silvercorp's huge silver-lead-zinc discovery. The area is well-mineralized and hosts significant historic and current precious metals and base metals deposits.

The Silverknife exploration pro-



Teryl Resources's property portfolio includes multiple gold exploration targets adjacent to Kinross Gold's operating Fort Knox Mine and True North Project.

gram will include compiling and digitizing existing exploration data, conducting a ground-based geological and prospecting survey, geophysical surveying, diamond drilling and an updated technical report.

Silverknife was originally staked in the 1980s by Reg Resources and Chevron Minerals which conducted a series of mineral exploration programs, including extensive drilling. This led to the discovery of significant silver-zinc-lead mineralization ranging to 29.02 oz/t silver, 10.14% lead and 7.02% zinc.

The Silverknife property lies within two kilometers of Silvercorp's active Silvertip silver-lead-zinc deposit, which hosts an estimated 35 million ounces of silver, indicated and inferred. Silvercorp plans to complete a complete a feasibility study in 2012.

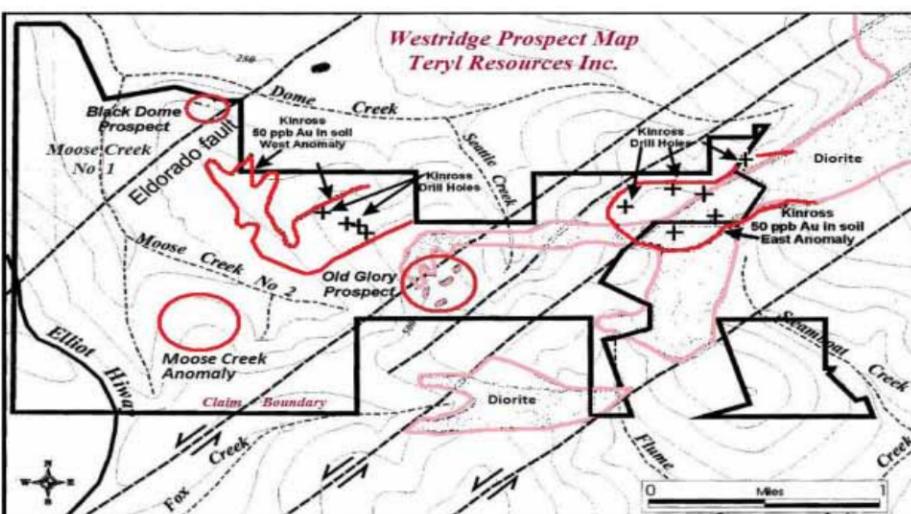
Silverknife is "genetically related" to Silvertip, according to Robertson, and appears to be a lower zone of Silvercorp's deposit – raising the prospect of a future buyout deal.

Teryl Resources also holds a 50% option on its Alaskan Fish Creek property, which lies adjacent to the Gil property just sold to Kinross, as well as a 10% net profit interest in the Stepovich claims, also located near the Fort Knox deposit.

Teryl can earn a 50% interest by spending about \$500,000 exploring the Fish Creek claims in its joint venture with Linux Gold Corp. a company with common directors. Teryl acquired an option in 2002 and recently extended the agreement with Linux to March 2013. The agreement includes the option to pay for the required expenditures in cash – an option that is eminently doable, given Teryl's cash infusion from the Gil sale.

Future exploration at Fish Creek will focus on six main gold targets identified during a previous geophysical survey completed for Fairbanks Gold Mining/Kinross Gold.

Teryl also holds a 100% interest, subject only to a 2.5% net royalty, in another group of 23 mineral claims in the Kahiltna Terrane, about 130 kilometers northwest of Anchorage Alaska. Additional cash flow is earned from working interests in a number of oil wells in Texas.



Five significant gold targets at the Westridge Prospect will be the focus of Teryl Resources's planned 2012 drilling program in Alaska.

## Investment Considerations

Teryl Resources' proven history as an accomplished explorer and its impressive track record in developing and marketing its properties clearly places it high among mining industry success stories. That should be no surprise, given Robertson's extensive background in the mining sector.

Robertson has amply proved the success of his strategic long view. Consider that the down payment alone on the Gil Venture is \$500,000 more than the company has spent there to date, putting Teryl into a profit territory that will grow even larger as Kinross brings the property to production.

Now with its coffers significantly replenished with the sale of its 20% interest in the Gil property, Teryl Resources is poised and ready to repeat the process at its other properties that serendipitously also lie adjacent to operating mines or significant deposits operated by major mining companies.

Considering the return Teryl will eventually receive from its 20% stake in the Gil property, the potential for an even greater return from its 100% West Ridge property presents an intriguing prospect for the company and its investors.

"Our properties are in prolific precious and base metals regions in both the U.S. and Canada where production exists or is planned," says Robertson. "Teryl Resources has a lot of assets that will be of interest to our neighbors in the future and further increase Teryl Resources' shareholder value."



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