

# Teryl Resources and Kinross Gold Gil JV 2010 Drilling Developing New Gold Results

*Initial assay results yield up to 1.99 gpt gold, 0.0581 opt gold over 30 foot width*

Teryl Resources Corp. (TSX.V: TRC; OTC BB: TRYLF; Frankfurt: TRZ) is in great shape these days – a major mining company offered to buy Teryl’s interest in the Gil Gold Property in Alaska in 2009, encouraging reports of drill results from the 2009 Exploration Program, and – most recently – initial assay results on the Gil that appear to confirm gold mineralization.

The Gil Joint Venture with Kinross Gold lies just a short six miles from Kinross’ Fort Knox Mine, Alaska’s

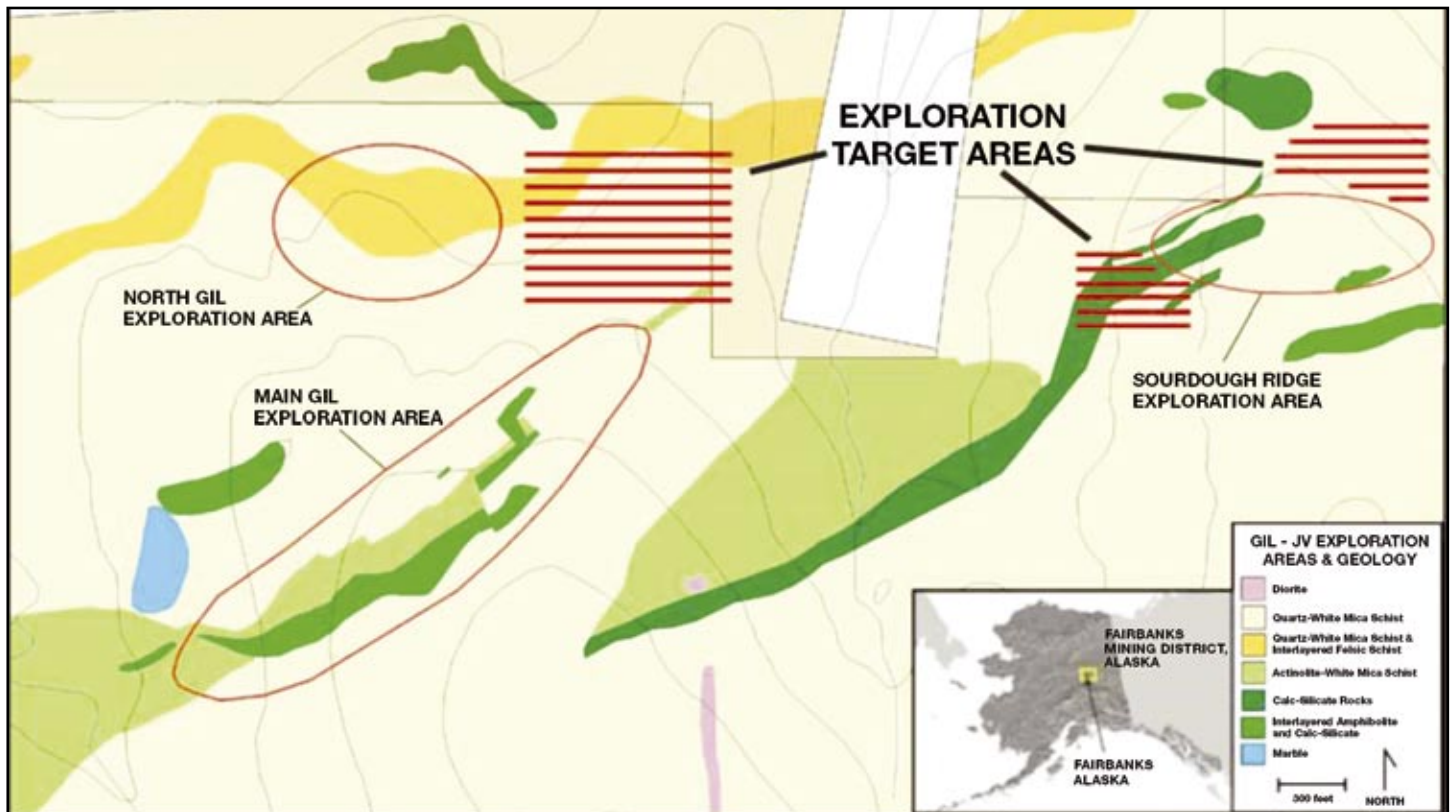
largest producing gold mine. Kinross is seeking new ore to continue its production on a long term basis.

Kinross, subsidiary, Fairbanks Gold Mining Inc., is currently conducting an expanded exploration program on the Gil encompassing 5000 feet of core and 11,000 feet of R/C drilling. Two drills are currently working on the property. The goal of the program is to further delineate the strike extension of the mineralized zones and to infill between step-out holes, in order to gain a better understanding of ore-

zone continuity in the Main Gil, North Gil and Sourdough Ridge deposits.

Teryl recently announced assay results on five drill holes. Additional assays on 13 holes are pending. Initial results ranged from 1.31 gpt gold to 1.99 gpt gold. Computed as ounces per ton, reported assays for the five holes ranged between 0.0383 opt and 0.0581 opt, both over 30 foot widths.

Teryl’s decision in early January 2010 to reject Kinross’ offer to buy out its 20% interest in the Gil property was not surprising given that at the



Teryl Resources and Kinross Gold spent \$9 million to date to explore their Gil Joint Venture Gold Property in Alaska.

time Teryl had not received the final 2009 exploration report and assay data. To better evaluate any future offers for its interest in the Gil, Teryl hired a certified and qualified consulting geologist, Mark Robinson, to complete a feasibility study and fair value economic evaluation that will include 3D modeling of the proposed ore body, a calculation of grade and tonnage contained in the ore body, a mine model, development cost and rate of return.

“It’s very positive when you have an offer for your property from your JV partner. It means we must have a strong potential for our gold property,” says Teryl Resources President, John Robertson. “This study will be key in gauging any future offers for the Gil.”

### Significant Assay Results from Gil Gold Property Drilling Program

The Gil Joint Venture is located within Alaska’s Fairbanks Mining District, where a belt of lode and placer gold mineralization has earned the region title as one of the largest gold producing areas in Alaska. Teryl is one of the region’s main holders of gold mining properties, with significant land holdings around and adjacent to Kinross Gold’s Fort Knox Mine. In addition to the Gil Joint Venture, Teryl holds a 50% option on the Fish Creek Claims from Linux Gold Corp. and a 10% net profit interest in Kinross’ Stepovich Claims, just to the southwest of the Gil. Fish Creek is north and adjacent to the Gil property, while the Stepovich is adjacent to and south of the Fort Knox deposit. Teryl also holds a 100% interest in its West Ridge property, located south of Kinross’ True North deposit.

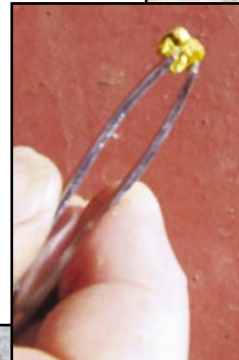
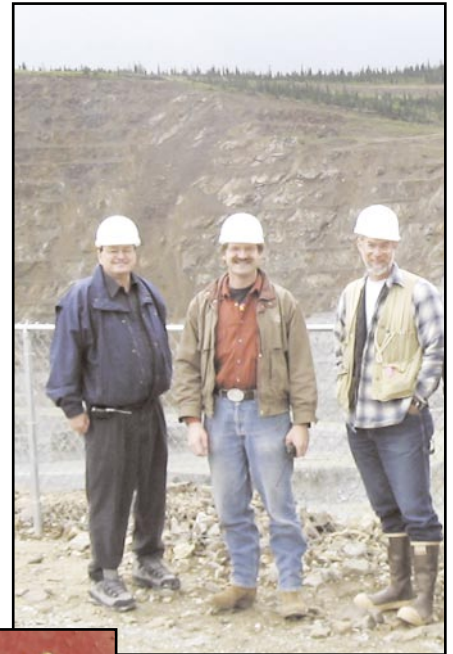
Last fall, Teryl Resources and Kinross released “significant” gold drill results for the Sourdough Ridge exploration area where the two companies spent much of its 2009 \$1.5 million exploration budget. The program included 15,000 feet of R/C and core drilling, as well as a ground magnetometer survey. The objective was to delineate mineralized zones, establish a resource base for Sourdough Ridge and expand the resource for the Gil Joint Venture, and establish continuity of mineralization to be included in an updated NI 43-101 compliant resource estimate.

“The gold assay results we have received to date from the 2009 drilling program are very positive on the Sourdough Ridge Zone and have



### EXPLORATION AT GIL JOINT VENTURE PROPERTY IN ALASKA

The goal of Teryl Resources’ joint venture with Kinross Gold Corporation (80% Kinross/ 20% Teryl) is to provide Kinross’ Fort Knox (open pit gold mine pictured above) mill with sufficient mineralized ore to continue operating well into the future. To date, the two companies have spent \$9 million to explore the Gil joint venture claims. A \$1.5 million exploration budget has been set for 2010.



the potential to significantly increase the total gold resource of the Gil deposit area. This is an important step in achieving our goal of developing a producing mine in the Fairbanks Mining District. The future potential for the Gil is very encouraging," says Robertson.

2009 assays returned gold values as high as 0.14 opt (4.79 gpt) over widths up to 105 feet. The drilling program indicated that a mineralized zone at least 1500 feet long remains open to the east. The Sourdough Ridge zone is adjacent to and east of the main Gil zone, which has a 2500 foot long mineralized zone ranging up to 80 feet thick and averaging 0.04 opt gold. Mineralization remains open both on strike and at depth. To date, more than \$9 million has been spent to explore the Gil property.

"Our Alaskan properties could contain significant deposits containing ore similar to that found at Fort Knox and True North. Once defined, the deposits could easily be put into production and processed at Kinross' Fort Knox mill," Robertson says.

### **Kinross Offer To Acquire All of Gil Gold Property Driven by Need for Long Term Fort Knox Production**

The big question for both Teryl Resources and its partner, Kinross Gold, one of the world's leading gold producers, to answer is just how much gold there is to be mined at their Gil Joint Venture project. For Kinross, the greater the resource, the more important the project becomes in its effort to sustain operations at its Fort Knox mill. The facility can process up to 45,000 tonnes of ore per day. Kinross acquired the mine in 1998. Gold production was down slightly in 2009, but Kinross extended the mine's economic life from 2012 to 2018 by expanding the open pit mine and completing a heap leaching operation this year.

Kinross recently moved to secure



Visible gold veins on Teryl Resources Gil Gold Property in Alaska's Fairbanks Mining Division

a state permit to operate a heap leach gold recovery facility at the Fort Knox Mine. Heap leaching began last fall with gold production commencing in Q4 2009. The permit allows processing of stockpiled lower-grade ore, mineralized waste material tailings, as well as zones of lower grade ore not yet mined.

That is where the importance of the Gil project becomes particularly important. Once the Fort Knox resource is completely exploited, Kinross will need to find new ore to feed its mill. Interestingly, Kinross recently extended a road about 3,000 feet along the Sourdough Ridge exploration area within the Gil project to facilitate soil sampling and magnetometer programs. The Gil deposit, which contains a 35% higher grade gold mineralization than the Fort Knox, lies within reasonable transport distance of the Fort Knox mill. The type of mineralization is also highly amenable to heap leach processing – which can produce gold at one-fourth the cost of milled gold, Robertson says.

Kinross tipped its hand late last year when it offered to buy out Teryl's 20% interest. The details of the offer are not known, but Teryl's rejection appears a clear indicator that it believes the value of its Gil project may

soon increase significantly.

### **Investment Considerations**

Kinross has approved a \$1.52 million budget for the 2010 Gil exploration program that began in April, including a ground magnetometer survey, 11,000 feet of RC drilling and 5,000 feet of HQ-NG drilling at Sourdough Ridge and at the western portion of the area between the Main Gil and the North Gil. Fieldwork will involve mapping, soil and rock sampling and mobile metal ion (MMI) geochemical sampling. The goal of the program is to further delineate the strike extension of the project's mineralized zones, to gather infill data between

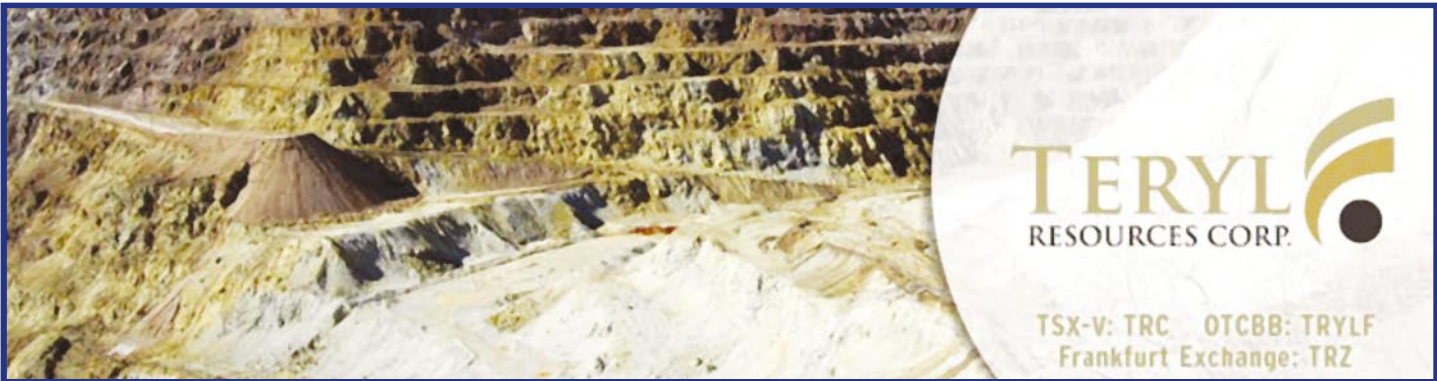
step-out holes to gain a better understanding of ore-zone continuity, and potentially update the project's resource estimate.

Teryl is well funded, with enough money in hand from recently exercised warrants and previous over-subscribed financings to fulfill its (20%) share of the \$1.5 million 2010 exploration program, according to Robertson. The company recently received \$704,200 from the exercise of warrants from an August 2009 private placement.

An updated resource estimate for the Gil property, whether it is computed with 2009 data or on the basis of further exploration in 2010, will give both Teryl and Kinross a much clearer view of the economic value of the project. In the past, Kinross paid significant amounts to acquire properties: \$420 million it paid for Fort Knox in 1998 and the \$94 million paid for the True North deposit in 1999. Then there is the \$1.2 billion Kinross paid for its Fruta del Norte project in Ecuador and the \$3.3 billion cost to purchase its Russian Julietta Mine from Bema Gold in 2007.

Teryl Resources President John Robertson says, "We anticipate the 2010 exploration program on the Gil Joint Venture property will produce additional significant gold results."

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Shares Outstanding: 68,510,946

Float: 40 Million

52 Week Trading Range:

Hi: C\$0.39 Low: C\$0.075

Management:

John Robertson

President and Director

Jennifer Lorette, Director

Larry Gold, Director

Susanne Robertson, Director

Thomas Robertson, Director

Partners:

Kinross Gold Corporation

TSX: K; NYSE: KGC

Linux Gold Corp.

OTC BB: LNXGF



## Quick *FACTS*

### *Company Highlights:*

- Kinross has approved a \$1.50 million exploration budget for 2010 on the Gil Joint Venture Property.
- Teryl has hired a certified and qualified consulting geologist to complete a feasibility study and economic analysis of on the Gil JV Property.
- Kinross Gold offered to purchase Teryl's 20% interest in the Gil JV gold property in 2009.
- Teryl Resources recently raised \$704,200 from warrants exercised from an August 2009 private placement financing.
- Teryl Resources' Gil Joint Venture Property is located six miles northeast from Kinross' Fort Knox mine and has an infrastructure available to inexpensively produce and process the deposit.
- The company's 100%-owned West Ridge claims are located two miles to the south and adjacent to the Kinross True North deposit.
- Significant gold drill results from the 2009 \$1.6 million Gil Joint Venture Exploration Program returned gold values as high as 0.14 opt (4.79 gpt) over widths up to 105 feet and indicated a mineralized zone at least 1500 feet long that remains open to the east. The program included 16,000 feet of R/C and core drilling, as well as a ground magnetometer survey to delineate mineralized zones in the Sourdough Ridge exploration area and expand the resource for the entire project. Infill drilling planned for 2010 will establish the continuity of mineralization needed for an updated NI 43-101 compliant resource estimate.