

## Investor Interest Climbs on Teryl Resources' Gold Hill News

By Paul Wallis

Teryl Resources Corp. (TRC.V: TSX) is a diversified explorer with interests in oil and gas as well as minerals. In a global mining bull market, companies, particularly on their lows, are often undervalued. The Teryl share price recently started acting like a seismograph in the first stages of registering a tremor on the TSX charts.

Teryl holds a wide range of properties and has major JV partnerships near major producing mines in Alaska, for example, but right now it's the new property in Arizona that's showing signs of changing the big picture in terms of assets and potential revenue. Teryl has seven patented claim blocks, totaling 248 acres, in the Warren Mining District, Cochise County, Arizona. The Gold Hill prospect includes the Old Gold Hill, Superior, and Baston mines. The company owns a 100% interest, subject to a 10% net profit interest for the vendors.

The Warren Mining District area was first opened up in the 1860s, and is Arizona's iconic mining showpiece. The Phelps Dodge Corporation's Lavender Pit mine, which is only a few miles from Teryl's property, is one of the global all-time major copper producers, extracting 75 million tons of ore, which produced a billion dollars worth of copper, gold and silver in the process. The Bisbee area, where Teryl is drilling, has been in continuous commercial production for nearly a century.

Interestingly, the Lavender Pit has been reactivated for test drills following copper's spectacular return to favor as a commodity. Teryl has apparently found the right commodity at the right time. Demand for copper is rising, with China's insatiable production levels driving the trend and prices.

Teryl's holdings contain a lot of old small scale works, including pits, cuts, placer digs, and small shafts. Work to date has identified strong indications of a gold/copper pattern of mineralization on the property.

Consensus of opinion at this stage is that the mineralization pattern is similar to proven deposits in Nevada's Carlin Trend and Teryl's neighbor Phelps Dodge's Copper Queen deposit at Lavender Pit. The site is considered to have the potential to be a lode-type copper deposit. That fits with the pattern of mining in the area, where lode mineralization is well known.

(The phenomenon of similar regional deposits isn't unusual in areas of high mineralization. Australia's Broken Hill was producing new finds in the mid 20th century, long after the initial major discoveries in the 1880s and intensive searches.)

Teryl is backing that professional judgment, and on December 3 announced that it had begun drilling on three priority targets at the Bisso site on Gold Hill. The company is also in the process of acquiring a further 640 acres adjoining its Gold Hill interests. The expansion and consolidation of holdings is necessary to cover possible extensions of the deposits, and establish Teryl's significant rights over the area.

The first natural issue for market consideration is financing. The company has a history of getting backing when it needs it. The TSX financing notices since 2002 read like a "How To Finance Your Operations Manual" for exploration miners. Teryl hasn't had trouble finding backers for selective private placements. It says something for the credibility of the company that after a net loss of \$465,000 for the year, the company made a placement for \$407,000 in share warrants in August 2007.

More impressively, that private placement backing, which amounts to over CAD \$4.3 million dollars in the last five years, is unswerving, despite the hard slog of exploration mining overheads. Teryl's history indicates a pattern of holding assets, joint ventures, and carefully focused expenditure. Teryl's CEO, John Robertson, has been running the company for 25 years, which explains the consistency of the company's approach to business.

From the market's perspective, the new finds, if realizing their early indications, constitute a potential significant positive change in net asset backing for Teryl's shares. For the purposes of a formal valuation, Teryl is currently continuing its pattern of holding assets. The company has recently renewed its interest in its joint gold mining venture at Fish Creek until 2009, and retains its other Alaskan gold operations, indicating that the existing asset base is stable and functional.

There are strong potential upsides to the Gold Hill venture. The company has a lot of possible options for how it can develop the Gold Hill property into a revenue stream. Teryl's joint venture approach, for example would be one possibility. Gold and copper are at historically good prices and commercial interest from the industry can be expected if the ore bodies live up to their promise.

This could be a seminal point in the company's history. The potential for significant growth is clear. Teryl's current moves are consistent with an

expanding mode of operations. The company's Gold Hill property will triple in size with the intended new acquisitions. That's a fair testimony to the company's degree of commitment in Gold Hill.

Teryl is also one of the main landowners in the Fairbanks Mining District, Alaska. The Gil project is a joint venture (80% Kinross/20% Teryl) with Kinross Gold Corporation (TSX: K; NYSE: KGC). Adjacent to the Gil Project are the Fish Creek Claims that are a JV with Linux Gold Corp. The company has a 100%-interest in the West Ridge property, also in Alaska. Teryl also has a 10% net profit interest from Kinross for the Stepovich Claims – next door to Fort Knox in Alaska – and a joint venture silver prospect located in Northern BC, Canada. Additionally, the company also earns revenues from oil and gas holdings in Texas and Kentucky.

This article is intended for information purposes only, and is not a recommendation to buy or sell the equities of any company mentioned herein. It is based on sources believed to be reliable, but no warranty as to accuracy is expressed or implied. The opinions expressed in the article are those of the author except where statements are attributed to individuals other than the author, in which case the opinions are those of the individual to whom they are attributed.

### About the Author

ResourceX Investor is an internationally distributed newsletter about emerging junior resource companies. Sign up for a free 1-month trial to our newsletter and get instant access to news and investing tips that have helped many of our readers make more money. <http://www.resourcex.com>

Source: <http://www.tntarticles.com>