

### Teryl Resources Corp.

(TRC - TSX Venture)

Partner Kinross advancing Gil gold property to production decision.  
Teryl following up successful 2003 program at West Ridge.  
Recent \$1 million issue to fund 2004 programs.

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With interests in four gold properties, Teryl is one of the main landowners in the Fairbanks Mining Division of Alaska. The company's claims are located in the *Tintina Gold Belt* that has been the focus of extensive gold exploration over the 1980's and 1990's. Over that period, gold resources have exceeded **23 million ounces from 10 different deposits** including the Fort Knox, True North and Ryan Load.

The Kinross/Teryl *Gil deposit* is being advanced aggressively toward a production decision to replace ore now mined at Kinross' True North deposit (which represents 20% of the Fort Knox mill feed). Focus is also on Teryl's West Ridge property, where a new gold zone was discovered in 2003.

#### Gil Deposit, Alaska (gold, 20% interest)

In 1999, a drill indicated / inferred resource of 10.7 million tons @ 0.042 ounces per ton gold (**400,000+ ounces Au**) was calculated for the Main Zone only. Since that time, there has been (by our count) over 200 holes drilled (infill, step out, definition at the North Gil, as well as successful exploration at the Sourdough Ridge zone). Preliminary metallurgy has also been very favorable and there is clear evidence that the resource has been expanded and that it will be upgraded. Drill results from the 2003 program continue to be highly encouraging.

We see the Gil deposit as either a Kinross acquisition target or Kinross / Teryl will likely enter into a production agreement for the deposit. We believe that Gil represents a core asset which Teryl may well realize solid value from through 2004/05 (the table below is for Gil only).

Potential Gil Values – \$Cdn Per Teryl Share (Teryl 20% interest)			
Value Per Ounce (\$US)	Assumed Total Gold Ounces		
	400,000	600,000	1,000,000
\$50.00	\$0.14	\$0.21	\$0.34
\$100.00	\$0.27	\$0.41	\$0.68
\$150.00	\$0.41	\$0.62	\$1.03
\$200.00	\$0.55	\$0.82	\$1.37

- Using current fully diluted shares, US dollar converted @ 1.25.

#### Other Significant Assets

The 2003 program at West Ridge identified a new gold zone (Old Glory). At Fish Creek, a ground magnetic survey identified two new anomalies for testing and high grade place accumulations were encountered during excavation downstream of the Fort Knox dam site. There are several additional favorable indications at both properties.



#### Share Data (\$Cdn):

Recent Price: \$0.65  
52-week Price Range: \$0.24 - \$0.85  
Shares Outstanding: 30.2 million  
Fully Diluted Shares (2): 36.6 million  
(1) Incl. recent new issue (3 million unit incl. 1/2 warrant/unit @ \$0.50  
(2) Incl. 6.3 million options & warrants @ \$0.12 - \$0.50.

#### Capitalization (\$Cdn):

Market Capitalization: \$19.6 million  
Total Debt (8/30/03): 666,879

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### THERE IS LITTLE QUESTION THAT 2004 WILL BE A WATERSHED YEAR FOR TERYL.

- The company has a solid asset in Gil that can be expected to become a Kinross target.
- The 2003 exploration season was successful in pointing to new potential at West Ridge and Fish Creek.
- Teryl is "cashed up" and will be conducting an extensive follow up programs in 2004.

*The Gil property clearly lays a "core" value for Teryl which can be seen to largely justify today's stock price. Should a favorable agreement be reached with Kinross and / or additional successful exploration be completed at Teryl's other properties, we believe that there is considerable potential in Teryl's future market performance.*

THE COMPANY

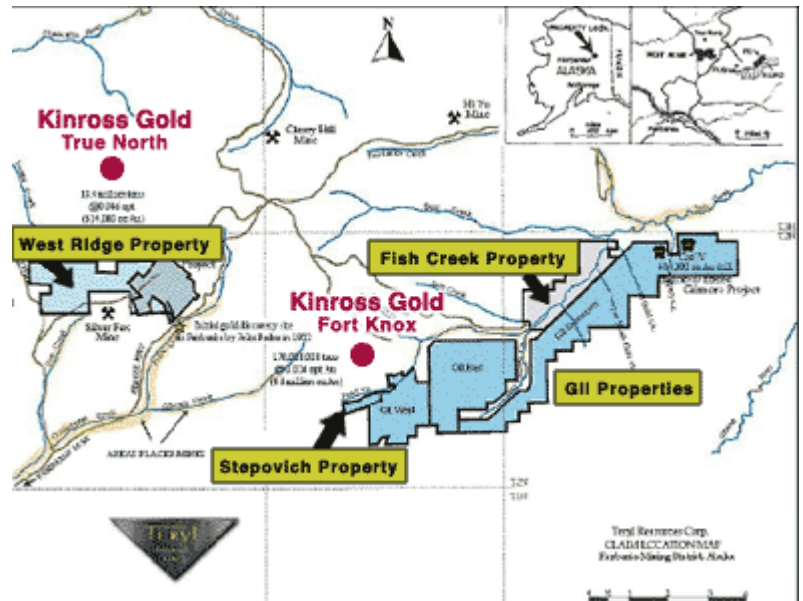
Focus in Alaska

With interests in four gold properties, Teryl is one of the main landowners in the Fairbanks Mining Division of Alaska. The company's claims are located in the *Tintina Gold Belt* that has been the focus of extensive gold exploration during the past decade. Over that period, gold resources have exceeded **23 million ounces from 10 different deposits** including the *Fort Knox*, *True North* and *Ryan Lode*.

All of the Teryl properties are adjacent to the Kinross producing *Fort Knox Mine* and the *True North Property*. The Fort Knox is the largest operating gold mine in Alaska and has mined approximately 4 million ounces of gold. Kinross is also eager to identify a rich source of gold for its existing mill, and the Gil property (20% Teryl, 80% Kinross) may well be this source.

Teryl has some promising gold properties that are adjacent to the producing Fort Knox Mine that could benefit from existing operational infrastructure roads, power, skilled workers and an operating mill within 20 miles from Fairbanks.

In addition to the existing resources found at the Gil property, there is potential to find the source (intrusive) of the area's rich placer gold deposits where mining companies have produced some 8 million ounces over the past few decades.



The Tintina Gold Belt

The Tintina Gold Belt includes the region situated between the *Denali* and *Tintina* faults, two strike-slip structures extending through Central Alaska into the Yukon. In addition to the **23+ million gold ounces identified from 10 lode deposits** through the 1980's, the region has seen over **8 million ounces of placer gold** produced from the Alaska portion of the belt, primarily from the Fairbanks District.

While Tintina gold deposits occur within a variety of host rocks, forms, alteration types, depth and temperature ranges, they feature many common characteristics as well as several unique differences. Though a plutonic association is common, deposits may be hosted within the plutons, within or exterior to the contact aureoles, or within adjacent schists or sediments. Associated plutons fall within the 86 to 105 million year age range; they are granitic to granodioritic in composition, I-type intrusives, with lithophile affinities, low magnet signatures (absence of magnetite, minor ilmenite) and are arc-related (low Rb, Nb, Y). Deposits tend to be low in sulphide and elevated in the trace elements Bi, W, As, Sn, Mo, Te, and Sb. The magmatic fluids emanating from the plutons are seen to be responsible for the gold mineralization. Prospective intrusives are small in size - generally less than 4 square kilometers in surface area. Termed the Tombstone-Tungsten Magmatic Belt with the Yukon this same suite of prospective plutonics extends for a distance of over 700 km across the Yukon and Alaska, and, indeed, into British Columbia.

Significant deposits within the Tintina Gold Belt include the following:

Deposit	Size (oz.)	Deposit	Size (oz.)
Fort Knox	4,000,000	Donlin Creek	10,000,000
Brewery Creek	970,000	True North	1,300,000
Dublin Gulch	1,500,000	Ryan Lode	822,000
Pogo	5,200,000	Shotgun	979,000
		Total (all 8) ---->	24,771,000

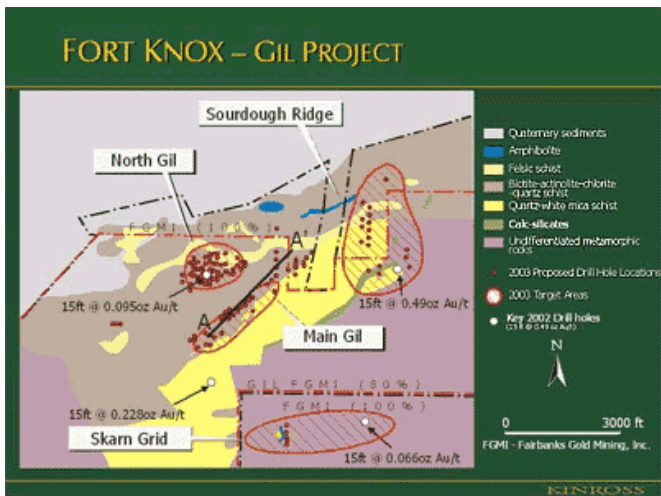
## GIL PROPERTY (20% participating interest), ALASKA (9,480 acres, gold)

### Summary

- Located adjacent to the *Kinross Gold* (K- TSX) producing Fort Knox mine.
- To date, partners Teryl and Kinross have spent about \$5 million in successful exploration.
- Definition of 10.7 million tons @ 0.04 ounces per ton (**400,000 oz.** drill indicated/ inferred).
- Moving aggressively toward development of gold deposit to feed Kinross' Fort Knox mill

### Background

Teryl has had a 20% participating interest in the claims since May 31, 1991, when it entered into a joint venture agreement with Kinross. The Gil Property lies 12 km east of Kinross' *Fort Knox* open pit mine and is connected to that operation by a network of four-wheel drive access roads. The terrain is mainly low, rolling hills dissected by perennial and intermittent streams and wide alluvial valleys. Elevations range from 250 - 685 meters.



The Gil property is about 2 miles wide and 8.5 miles long, and includes the watershed for the *All Gold, Too Much Gold, Slippery* and *Lohr Creeks*, all sites of earlier placer discoveries.

With Kinross as the owner of the Fort Knox

facility as well as being Teryl's joint venture partner at Gil, the directive is to advance Gil to a production decision for when the True North ore runs out in 2005.

### Property History

Since 1991, partners Teryl and Kinross have spent about \$5 million in a highly successful program. In 1999, a **400,000-ounce gold resource** (drill indicated/inferred) was calculated, based on 10.7 million tons grading 0.04 opt Au. The main mineralized zone ranges up to 70 feet thick, has been traced over 3,000 feet, and is open along strike and at depth.

The Gil Property has had extensive exploration and development activities 1991.

Gil Property History	
Dates	Event
1991 / 92	<ul style="list-style-type: none"> <li>• Fairbanks Gold Mining Incorporated conducted reconnaissance exploration, followed by road building, soil sampling, and mapping.</li> </ul>
1993	<ul style="list-style-type: none"> <li>• Soil sampling, resistivity survey, ground based magnetometer survey.</li> <li>• Drilling of <b>4 HQ / NQ</b> core holes (909'). <b>Low grade mineralization in all 4 holes.</b></li> </ul>
1994	<ul style="list-style-type: none"> <li>• Expansion of soil grid, followed by additional surveying.</li> <li>• An <b>8-hole</b> reverse circulation program was conducted (1,890'). Low grade gold encountered with exception of one with a high grade intercept (90' @ 0.067 opt).</li> </ul>
1995	<ul style="list-style-type: none"> <li>• Soil grid expansion, soil sampling, magnetic survey.</li> <li>• An <b>18-hole</b> RC program (4,900') delineated a calc-cilicate layer containing moderate gold grades with a NE strike length of 1,000' and true thickness of 70'.</li> </ul>

### Fort Knox Mine (100% owned by Kinross).

- **2002.** Production of **410,519 ounces** of gold at cash costs of **\$232** per ounce
- **Life of Mine Plan.** Completion of mining at True North in 2005. From that point onwards, production is derived entirely from the Fort Knox deposit until 2010.
- **Exploration Budget.** US **\$1.6 million** (2002), US **\$3.2 million** (2003).
  - ➔ Kinross is increasingly active in securing a replacement for ore from the *True North* deposit, which represents 20% of the Fort Knox mill feed. Indications are that Gil can become this source.
  - ➔ The 0.04 opt grade at Gil is higher than that at Fort Knox (0.03 opt) and may be better suited as a mill feed than ore from True North.
  - ➔ As depth increases at the Fort Knox pit, having a source of higher grade ore is important to keep overall costs low.
  - ➔ Only minimal infrastructure would be required to place Gil into production.

<b>Gil Property History</b>	
1997	<ul style="list-style-type: none"> <li>• Access improvement, grid expansion, ground magnetic and radiometric surveys, soil sampling, <b>12-hole</b> (4,079') RC program, trenching, metallurgical testing.</li> </ul>
1998	<ul style="list-style-type: none"> <li>• Focus on the eastern portion of the property - soil grid expansion &amp; soil sampling, <b>29 hole</b> (10,004') RC drilling, <b>4-hole</b> (3,238') core drill program, 8 trenches mapped and sampled. The program was successful in several respects: <ul style="list-style-type: none"> <li>➔ It successfully extended the Main Gil gold bearing horizon to 2,500' in strike,</li> <li>➔ Trench assays confirmed the nature of gold distribution indicated by RC drilling.</li> <li>➔ A new soil anomaly (North Gil) was drilled, with 4 of 5 holes encountering significant mineralization at depths of less than 425'.</li> </ul> </li> </ul>
1999	<ul style="list-style-type: none"> <li>• Grid expansion, soil sampling, geophysical surveying, with a <b>9-hole</b> (4,038') RVC drilling program. <ul style="list-style-type: none"> <li>➔ Data interpretation outlined several possible intrusive-related exploration targets (Slippery Creek, All Gold Creek).</li> <li>➔ <b>Resources calculated</b> - 10,700,000 tons @ average grade of 0.042 opt - <b>449,400 ounces</b> (6,520,000 indicated, 4,180,000 tons inferred).</li> </ul> </li> </ul>
2000	<ul style="list-style-type: none"> <li>• Focus on drilling the Main Gil and North Gil mineralized zones - <b>95</b> RVC holes (29,785'), <b>33</b> core holes (15,761.5'). Six water wells were drilled to collect ground water data. Considerable additional fieldwork, environmental monitoring, and laboratory work, including <b>ore recovery simulation</b> experiments (90% Main Gil, 79% North Gil). <ul style="list-style-type: none"> <li>➔ Main Gil calc-silicate layer extended to 3,300' in strike (70' true thickness).</li> <li>➔ North Gil mineralized zone enlarged to 1,000' long x 500' wide.</li> <li>➔ Soil sampling revealed or expanded several possible target areas.</li> </ul> </li> </ul>
2001	<ul style="list-style-type: none"> <li>• Focused on testing and expanding gold-in-soil anomalies (majority at Sourdough Ridge) - <b>11</b> RC holes (3,035'), <b>1</b> core hole (350'), 9 trenches, rock sampling, additional fieldwork.</li> </ul>
2002	<ul style="list-style-type: none"> <li>• Focused on testing for causative intrusive sources and continuity of gold mineralization in the central portion of the North Gil, verifying / expanding gold mineralization along Sourdough Ridge and Main Gil, and testing geophysical anomalies on upper All Gold Creek and Slippery Creek.</li> <li>• <b>4</b> RC holes (1,345'), <b>7</b> core holes (3,727'), 4 trenches, rock sampling, mapping, reclamation, surveying, environmental monitoring. <ul style="list-style-type: none"> <li>➔ <b>Preliminary metallurgical testing suggest resources have potential to be economic. Main Gil - recoveries similar in many respects to Fort Knox ore</b> (i.e. North Gil recoveries averaging about 85% - 86%).</li> <li>➔ <b>Sourdough Ridge - A new zone of mineralization</b> was intercepted (15' of 0.49 opt). <b>All Gold Creek</b> - intersection of 15' of 0.228 opt.</li> </ul> </li> </ul>
2003	<ul style="list-style-type: none"> <li>• Focused on fully defining the limits of the gold deposits at the Main and North Gil deposits and in-fill drilling of previously tested areas to increase confidence. Some work at Sourdough Ridge to test for presence of substantial mineralization.</li> <li>• <b>Phase I. 60</b> holes were planned (25 core, 35 RC - 17,000' total).</li> <li>• <b>Phase II.</b> Follow up drilling to advance resource toward reserve status (<b>74</b> holes - 22,000').</li> <li>• Additional work included project assessment studies (environmental baseline data, hydrology, engineering). <ul style="list-style-type: none"> <li>➔ <b>North Gil</b> - Infill drilling succeeded in intercepting <b>significant grades and thickness in the SW portion of the resource area where previous drilling has been limited.</b></li> <li>➔ <b>Main Gil.</b> Infill drilling intercepted <b>220'</b> of economic mineralization including 80' of 0.06 opt gold. Recently announced results (1/20/04) show <b>205' of significant gold mineralization in 3 zones.</b></li> </ul> </li> </ul>

**Discussion**

We have several observations concerning possibilities and associated values for the Gil property:

- **Expanded Work Programs.** The scope of work and associated budgets have clearly been increasing over recent years. Whereas the partners had spent about \$3.2 million from 1991 through 2002, the 2003 budget was for over \$1.8 million.
- **Expected Upgrading of Resources.** The latest resource estimate was made prior to 2000 - over 400,000 ounces of drill indicated/inferred. Since that time, there has been well over 100 additional holes, trenching, and other work. Given the announced results, we are confident that these resources will be upgraded with the ongoing in-fill drilling program.
- **Possibility To Increase Existing Deposits.** We also note that the stated program for 2003 was to expand the mineralization at both the Main Gil and North Gil zones.
- **Exploration Potential.** The 2003 program was mainly designed to establish the presence of proven mineralization at the Gil joint venture (Main Gil, North Gil) and to follow up on the encouraging drill results at Sourdough Ridge (105' @ 0.033 opt including 15' @ 0.49 opt). We believe that this blue sky potential has not been fully explored, given the Kinross priority of "replacing" the gold ounces now being mined at the True North deposit (expected to run out in 2005).

As stated in Teryl's 12/14/99 news release the resource estimate for the Gil claims completed in 1999 was for the **Main Gil only**.

**Recent news releases (see 1/8/04, 1/20/04) continue to post interesting results** (several holes intersecting significant mineralization, including higher grade material - 0.17 opt Au over 105' - from 290' to 395').

Based on these observations, we believe there are several types of "values" at Gil at present, including: ① values based on the number of ounces "in the ground" as previously calculated (450,000), ② strong potential for additional ounces based on drilling and other work already done, and ③ considerable blue sky potential at Sourdough Ridge and several other targets.

In view of the favorable metallurgical work completed to date we would tend to associate relatively higher values (rather than "exploration" types of values) to these amounts. *As a reference point, the 2002 Kinross Annual Report states cash costs at the Fort Knox operation as US \$220 per ounce with total "production costs" of about US \$330 per ounce.*

Our indicative calculations are shown right. We have also shown the effect of higher (i.e. US \$200) values for those interested in illustrative values at higher gold prices.

Potential Gold Values – Gil Deposit (\$US millions) (indicated values represent Teryl's 20% share)			
Assumed Total Gold Ounces			
Value Per Ounce (\$US)	400,000	600,000	1,000,000
\$50.00	4,000,000	6,000,000	10,000,000
\$100.00	8,000,000	12,000,000	20,000,000
\$150.00	12,000,000	18,000,000	30,000,000
\$200.00	16,000,000	24,000,000	40,000,000

Potential Gil Deposit Values (\$Cdn per Teryl share) (per share indicated values represent Teryl's 20% share)			
Assumed Total Gold Ounces			
Value Per Ounce (\$US)	400,000	600,000	1,000,000
\$50.00	\$0.14	\$0.21	\$0.34
\$100.00	\$0.27	\$0.41	\$0.68
\$150.00	\$0.41	\$0.62	\$1.03
\$200.00	\$0.55	\$0.82	\$1.37

- Notes:**
1. Using current fully diluted shares (36.575 million)
  2. US dollars converted at 1.25.

**Prior Kinross Transactions**

In 1999, Kinross purchased the Ryan Lode and True North deposits in two separate transactions:

- **US \$26.4 million** for La Teko Resources, which held the Ryan Lode deposit and 35% of the True North Deposit.
- **US \$28.1 million** in cash to Newmont for the remaining 65% interest of True North.

	Proven Probable	Additional "Resources"	Total
True North	459,000	642,000	1,101,000
Ryan Lode	214,000	121,000	335,000

At that time, reserves and resources were as shown right. **These transactions were completed in a low gold environment** - average spot prices were US \$294 in 1998 and **US \$279 in 1999**.

**Conclusion**

Several considerations are worth noting in assessing the Gil deposit from a financial point of view:

- With today's **gold prices now about US \$125 per ounce higher**, transaction prices could be expected to be considerably higher than those paid in 1999 by Kinross, particularly in view of the synergies involved with Kinross
- We also believe that given the level of exploration since the original resource estimate was made in 1999 that the stated ounces could ultimately be much higher.
- Excellent exploration values could also improve ultimate transaction prices or simply add to the current / future value of the property.

**WEST RIDGE PROPERTY, ALASKA  
(5,200 acres, 100%, gold).**

**Summary**

- Claims lie adjacent to Kinross' True North deposit (1.3 million ounces contained) and appears to have rocks with similar character which suggest a genetic link.
- Recent favorable field exploration has led to positive soil auger sampling program and follow up trenching which reveal the presence of mineralized intrusives.

**Acquisition & Earlier Work**

The West Ridge prospect is north of Fairbanks, a distance of 22 miles by road. It lies immediately north of the Fox Creek Property which was drill-tested by Cyprus Gold in 1995, and is immediately south of the claim block encompassing the True North Gold Deposit.

In October, 1999 Teryl optioned a 70% interest in the property to Kinross in exchange for a commitment to spend US \$1.5 million over a 5 year period and paying US \$285,000 over 5 years.

**Prior to 1998.** Teryl's work on the property consisted of establishing a property-wide grid, a ground magnetometer survey, and a soil-sample program. The soil-sample program defined two distinct gold-in-soil anomalies.

**1998 - 99.** Kinross did a limited amount of resampling on the western part of the property in 1998. In 1999, a Bombardier auger, soil-sample program and RVC drilling were done on portions of the property.

Two main anomalies were defined by this early work, the "**East**" anomaly (a continuation of the "Northwest" anomaly at the Steamboat Creek Property), and the "**West**" anomaly, which lies on the NW-trending ridge in the north-central portion of the claim block. The latter anomaly lies astride the NW-trending ridge between Dome Creek and Moose Creek, and is approximately 4,000' x 3,000' NW-SW. Anomalous gold values have been accompanied by elevated arsenic values and there are no bedrock exposures in the area examined.

Arsenic and antimony values form a pattern similar to that of gold values. Generally, the higher values accompany higher gold grades. This is similar to the chemistry of gold mineralization found at True North and prospects found in the western part of the district.

In 1999, a fence of 5 holes was drilled to test the West Anomaly (1,650') which did not encounter continuous zones of economic gold mineralization.

**2000.** RC drilling was conducted to further test the West Anomaly as well as a series of holes along the East Anomaly in conjunction with drilling in the NW part of the Steamboat Creek property.

**2001 - 03.** In November, Kinross withdrew from the agreement after satisfying their obligations. Through early 2003 Teryl conducted a geophysical survey.

**2003.** With a higher gold market, Teryl once again began an auger drill program to define RC drill targets on the Western Gold Anomaly.

- In August, it was announced that Teryl had discovered a **new gold zone** with the same mineralization that host the gold deposits in the area, including the Fort Knox Mine. Soil sampling results had suggested a false bedrock layer and once below this, abundant ochreous red-orange soil was often encountered - soil that is often associated with gold-bearing shear zones in the District.
- Sampling of material obtained through auger drilling showed several with elevated gold values.
- Subsequent field exploration expanded the size of the gold discovery (500 m x 500 m) and confirmed the presence of eclogite-grade metamorphic rocks similar to those hosting the True North deposit.
- Three trenches (342 meters) were recently completed - trench 3 showed good results, including the presence of a 100 m x 150 m amorphous gold-in-soil pattern similar to that seen in intrusive hosted gold occurrences elsewhere in the District - that portion also yielded grab rock samples which returned up to 10 grams per tonne (1/3 opt) gold.

**Indicators**

- Favorable soils encountered below false bedrock layer.
- Mineralization found appears to be controlled by the Eldorado Fault (an important fault that bounds Kinross' True North deposit).
- Rock sampling assaying for gold in newly discovered area.
- Well mineralized intrusives in Trench 3, anomalous gold in soils adjacent to it, higher grade rock in samples from the area.
- Recent favorable magnetic / VLF surveys.
- Gold values in excess of 100 ppb outline several significant gold deposits in the District (Fort Knox, True North, Dolphin).

- Ground geophysics and VLF surveys were completed in November which correlate well with geochemistry and mapping.

**State of Alaska Lease** In July, 2003, Teryl negotiated a lease of 440 acres also in the Fairbanks Mining District, adjacent to the western portion of it's West Ridge claims (40 acres of which are strategically located within the West Ridge claims. This was a strategic acquisition insofar as it represents land now being investigated at West Ridge (the new discovery at Old Glory). The State retains a production royalty based on the price of gold and a 1% NSR.

**Future Program** With the recent financing being completed, additional ground geophysics, trenching and drilling at the new intrusive discovery is scheduled.

### **FISH CREEK, ALASKA (30 claims, 50%, gold).**

**Summary**

- A common boundary is shared with the Gil claims.
- Indications of both placer and lode gold mineralization.

**The Area** On March 5, 2002, Teryl entered into an option agreement with Linux Gold to earn up to a 50% interest by expending US \$500,000 within 3 years and issuing 200,000 shares. Linux had the option to convert its 5% royalty interest into a 25% working interest.

**The Property** The staking history of the property goes back to 1907 and are located between the patented claims of Alaska Gold Inc. and the patented Alaska Gold-Stepovich claims. It also shares a common boundary with the Gil claims.

Past work and mapping shows areas of productive placer as well as areas of probable and possible lode gold. There are several salient features on the property.

- There exists an intense aeromagnetic anomaly on the claim boundary with the Gil claims (in the vicinity of Too Much Gold Creek).
- Free gold can be panned from sediments in All Gold Creek, Too Much Gold Creek - it has been assumed that this may be related to the source of the aeromagnetic anomaly (the *u* by Too Much Gold Creek and on the east side by All Gold Creek).
- There are a number of prospect shafts (8 known in 1990) and drill holes that have been sunk by old timers along the NE-SW trending trail on the north side of Fish Creek (13 in 1928, 6 from 1937-41).
- There are indications that limited drifting was done in the SW portion of the claim area.
- Tributaries from the south are known to have placer gold as does Fish Creek above and below the claim boundaries.

**Work in 2003** In February, 2003, a 6 hole drill program was announced to test for both placer and lode gold occurrences (i.e. drilling to extend through the gravel-bedrock interface). In May, it was announced that hole 5 intercepted 5' of 2.33 ppm gold. It was recommended in May that drilling continue to test for the extension of the gold discovery on the adjoining Gil Deposit as well as conduct a seismic program on the western portion of the property to locate potential placer channels.

More recently, in December, 2003, it was announced that a ground magnetic survey was completed approximately 600' - 700' down-valley from the toe of the Fort Knox mine fresh water supply dam - extremely high grade gold placer accumulations were encountered in a narrow right-limit channel during excavation of the dam site but their extent and grade downstream on the Fish Creek property was never explored. ***Two anomalies were recommended for physical testing.***

**Other Considerations** The Fish Creek property could become a strategic asset in several ways:

- To provide access to the Gil claims for mining purposes.
- Should a placer discovery be made on the property, a placer mining operation could potentially interfere with the Fort Knox fresh water dam in the vicinity.

We would envision that any deals reached with Kinross on the Gil property would also involve the Fish Creek property.

## OTHER PROPERTIES

1. **Stepovich Claims (Au / tungsten, 10% NPI)**. Optioned to Fort Knox by Teryl, the property is located directly adjacent to the Fort Knox Mine. The seven Stepovich lode claims are a gold-bearing tungsten skarn deposit that dip to the north towards the Fort Knox gold ore body.
2. **Silverknife Claims (Ag, Pb/Zn, 30%)**. Located in the Liard Mining Division of northern B.C., previous work has established an estimate of 400,000 tons of 12 opt Ag and 16% Pb/Zn ore over 800' of strike, an average thickness of 10', and a down-dip extension of 500'.

## CONCLUSIONS / POTENTIAL VALUES

Clearly, *the Gil property lays the foundation for any current value estimates for Teryl*. It is apparent that the property is being advanced toward a production decision that is expected to replace (in 2005) the ore now mined at True North, which representing 20% of the mill feed at the Fort Knox operation. In that case, the issue is whether Kinross will purchase Gil, negotiate a production agreement for Teryl to participate in mining at Gil, or for Kinross to simply purchase Teryl as a whole and acquire the other properties as well. Of considerable interest is that ***Kinross purchased the True North and Ryan Lode deposits (1.4 million ounces in all categories at the time) for US \$54.5 million in cash and shares in an era of low sub-\$300 per ounce gold prices in 1999.***

Current estimates of values for Gil are complicated insofar as we see the extent of the resource as uncertain as well as the associated "per ounce" values. For example,

- The latest resource estimate at the Main Gil was completed in early 1999 - since then we have seen well over one hundred holes, including many designed to expand the deposits.
- That estimate was based on resources at the Main Gil and not Gil North - considerable work has been expended there, which continues, and a reasonable assumption may be that there is a significant resource there.
- With the infill drilling completed, it would appear likely that formal studies would upgrade resources.
- Metallurgical studies appear to indicate that the ore at Gil is amenable to processing at Fort Knox.

Based on reasonable assumptions, the Gil Joint Venture property could be generating revenue in 2005. The drilling program on the West Ridge Property and the successful trenching program on the Fish Creek claims could increase the value of Teryl substantially this year over and above our "core" indicated values associated with Gil.

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