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Taseko Mines Limited

Building Wealth Through Developing and Operating Major Copper Mines

January 2006

An HDI Opportunity

Hunter Dickinson Inc. (HDI) is a private corporation that is a leader in the global mining industry.

HDI establishes, develops, builds and manages publicly traded companies that are active around the world in all phases of mineral exploration, development and production. The nine public companies operated by HDI have interests in gold, copper, PGM, zinc, molybdenum, lead and silver, and projects in Canada, Chile, USA, Mexico, South Africa and China.

As an umbrella organization, HDI provides its managed companies with both cost and expertise advantages through access to a shared multidisciplinary team of mining and financial professionals. This includes:

- Management leadership;
- Geological, engineering and environmental expertise;
- Financial acumen;
- Administrative and support services.

With its strong focus on the environment and the communities in the region of each property, HDI has earned a reputation as a responsible mineral developer.

Taseko is a mining exploration, development and production company. Taseko's Gibraltar copper-molybdenum mine is located in south-central British Columbia. Gibraltar is a 36,700-ton per day operation with an average annual production of 68.5 million pounds of copper and 1.1 million pounds of molybdenum in concentrate. The current mine plan is 14.5 years and there are additional resources that could extend the mine life to 30 years.

Two exploration properties, the Prosperity copper-gold project, also located in south-central BC, and the Harmony gold project, located on the west coast of BC, provide longer term potential for additional production.

Investment Highlights

Strong copper and molybdenum prices expected to continue. Reduced copper stockpiles reflect a declining supply from the world's largest copper mines. Consistent demand from China and the US, and tight molybdenum supplies, played a key role in moving prices to record levels during 2005. These factors are expected to support continued demand and above average prices over the next few years.

A Two Phase Strategy is designed to take advantage of current market conditions and adapt to future cycles through cost savings. With an average operating cash break-even cost for copper of \$1.15 and no debt, Taseko is leveraged to the upswing in metals prices. Each \$1.00 increase in the price of molybdenum reduces cash costs by 1.4 cents per pound when applied as a credit to the cost of copper production. Each \$0.01 increase in the price of copper results in \$0.7 million increase in cash flow.

Potential future cost savings should be realized through mill expansion and application of unique copper refining technology that could reduce Gibraltar's cost of copper production by \$0.20 per pound.

Competitive and predictable cost structure. A favorable fixed rate treatment and refining contract provides a predictable cost structure to 2008.

Growth opportunities through development of extensive mineral resources at current properties. Excellent potential to upgrade to further reserves at Gibraltar and to develop the extensive resources at Prosperity.

Financially sound and debt free. Taseko has a healthy balance sheet and a strong working capital position.

Experienced management. As a Hunter Dickinson company, Taseko has the significant advantage of strong seasoned management, with broad mining experience and an impressive track record.

Key Share Information (as at September 30, 2005)

TSXV:TKO;AMEX:TGB

Shares Out:	103.5 million	Average Trading Volume:	127,737
Market capitalization (FD):	CDN\$134 million	Current trading price:	CDN\$1.29
52 Week High:	CDN\$2.08	Cash:	CDN\$21.7 million
52 Week Low:	CDN\$1.03	Working Capital:	CDN\$6.4 million

Company Profile

The **Gibraltar** mine site covers approximately 109 square kilometers and it contains seven separate mineralized deposits and zones. There is well-developed infrastructure: the property is accessible by a combination of highways and paved roads; it is close to a rail network for shipment of copper concentrates through the Pacific Ocean port of North Vancouver; and the mine is a 45-minute drive from communities that provide goods, services and personnel.

Prosperity, located 250 kilometers from Gibraltar, hosts a large copper-gold deposit. The estimated measured and indicated mineral resources are 1.0 billion tonnes at 0.41 grams Au/tonne and 0.24% Cu at a 0.14% copper cut-off (G. Giroux, P.Eng., 1998). Taseko has re-initiated work on Prosperity in late 2005.

Harmony, located on Graham Island off British Columbia's west coast, hosts a large gold deposit. The estimated measured and indicated resources are 64 million tonnes grading 1.53 grams Au/tonne at a 0.60 grams Au/tonne cut-off (M. Nowak, P.Eng., et al 2001). Detailed engineering studies are required to fully assess its potential.

Business Strategy – Objectives

Taseko plans to capitalize on the recent market demand for copper through a well defined strategy:

- Leverage its position as a Hunter Dickinson company, accessing HDI's geological and financial expertise to maximize efficiency and minimize costs;
- Review and advance the feasibility study for the Prosperity project;
- Evaluate the economics of expanding production at the Gibraltar mill in tandem with ongoing work to further expand resources;
- Explore the viability of building a copper refinery at Gibraltar;
- Apply the most advanced mining and recovery techniques to ascertain maximum production potential;
- Use partnership agreements with mining specialists to advance new projects to production.

Gibraltar Mine

Gibraltar Reserves and Resources at October 2005¹

	Cut-off	Tons	Cu (%)	Mo (%)	Copper (lbs)
Proven & Probable	Sulphide 0.20% Cu	194 million	0.31	0.010	1.0 billion
Proven & Probable	Oxide 0.10% ASCu	16.5 million	0.145		
Measured & Indicated	0.20% Cu	614 million	0.28	0.008	3.4 billion

¹ Reported by Gibraltar mine staff under supervision of John W. McManus, P.Eng.

History

Originally developed in 1972 by a predecessor to Placer Dome, the Gibraltar mine repaid its capital cost in less than two years. In 1996, Placer re-focused on gold and sold its interest in Gibraltar to Westmin Resources, which was subsequently taken over by Boliden. The mine was later closed in 1998 when copper prices dropped to \$0.61 per pound. A year later, Taseko acquired the mine, mill and mining equipment from Boliden and placed the mine on standby while awaiting an increase in copper prices.

While on standby, Taseko worked to improve the mine. The company continued exploration to increase reserves and resources, improve operational efficiencies and work with the Cariboo Regional District to develop an on-site landfill to partially offset costs.

A feasibility study was also completed, in conjunction with Cominco Engineering Services Ltd (CESL), to develop a copper refinery using a



1991

1993

1999

2000

1991: Taseko Mines initiates exploration of Prosperity Project.

1993-2000: Extensive drilling, followed up by engineering studies and metallurgical tests and prefeasibility study at Prosperity.

1996-1998: Boliden Westmin acquires Gibraltar Mine in 1996, ceases operations in late 1998.

1999: Taseko acquires Gibraltar Mine, puts the operation on standby.

2000: Scoping study of copper using hydrometallurgical process to concentrate at Gibraltar site.

CESL hydrometallurgical process to produce London Metal Exchange (LME) grade copper cathode on site. A refinery located at Gibraltar would produce cathode copper from copper concentrate at the site rather than sending these concentrates to an overseas smelter for treatment, which would result in an estimated operating cost saving of US\$0.20/lb of copper produced.

Operations

Gibraltar restarted mining and copper milling operations in October 2004. After a circuit upgrade, molybdenum production began in early 2005. By the end of September 2005 (fiscal year end), 54.8 million pounds of copper and 427,000 pounds of molybdenum were produced. Operating statistics for the year are summarized below:

Year End Operating Statistics Compared to Forecast			
	Actual	Forecast	Variance
Ore + Waste Mined (tons)	39,992,000	41,658,000	-4%
Ore Milled (tons)	11,484,000	11,913,000	-4%
Stripping Ratio	2.31	2.35	-2%
Copper Grade (%)	0.314%	0.306%	+3%
Molybdenum Grade (%)	0.017%	0.016%	+6%
Copper Recovery (%)	76.2%	80.4%	-5%
Molybdenum Recovery (%)	23.1%	35.2%	-35%
Copper Production (lb)	54,785,347	58,600,000	-7%
Molybdenum Production (gross lb)	427,059	541,000	-20%

Plans for 2006

Gibraltar

At year end, a detailed review of the geological model, confirmation of pit wall locations established in previous mine optimization studies, and an analysis of current price and mining cost projections allowed for expansion of the previously defined pits, leading to a 30% increase in reserves.

Further definition drilling and economic analysis will be undertaken in 2006 with the objective of upgrading additional resources into the reserve category. In anticipation of a further increase in the mineral reserves, an engineering study has been initiated to evaluate the economics of expanding the mill production rate by 25%.

An updated refinery feasibility study is also expected to be completed in the near term, but the immediate focus is to increase the reserves and evaluate expanding the mill as these will affect the refinery project's economics.

Production Forecast for 2006

	Q1	Q2	Q3	Q4	Total 2006
Copper (million lb)	13.4	15.2	15.7	15.8	60.1
Molybdenum (thousands lb)	200	220	227	227	874
Copper Production Costs*	US\$1.03/lb	US\$0.81/lb	US\$0.81/lb	US\$0.80/lb	US\$0.83/lb
Transport & Treatment**	US\$0.30/lb	US\$0.34/lb	US\$0.34/lb	US\$0.34/lb	US\$0.34/lb
Total Cash Costs of Production	US\$1.33/lb	US\$1.15/lb	US\$1.15/lb	US\$1.14/lb	US\$1.17/lb

*Net of molybdenum credits, excludes mining equipment lease costs

**Concentrate transportation, smelting and refining costs

Prosperity

Taseko carried out extensive exploration, engineering, mine planning, environmental and socio-economic studies on the Prosperity project prior to 2001. The Company re-initiated work on the Prosperity project in late 2005, with the objective of advancing the project through the final stages of permitting and toward a production decision. Technical staff are currently reviewing previous feasibility studies and re-assessing the project economics based on current metal price forecasts, and new technologies, concepts, and innovative approaches to mine development.

2001

Refinery process to treat concentrates completed.

2002

2001-2002: Feasibility study of copper refinery demonstrates that London Metal Exchange grade cathode copper could be produced at Gibraltar, and reduce cost of copper production by up to US\$0.20/lb.

2003

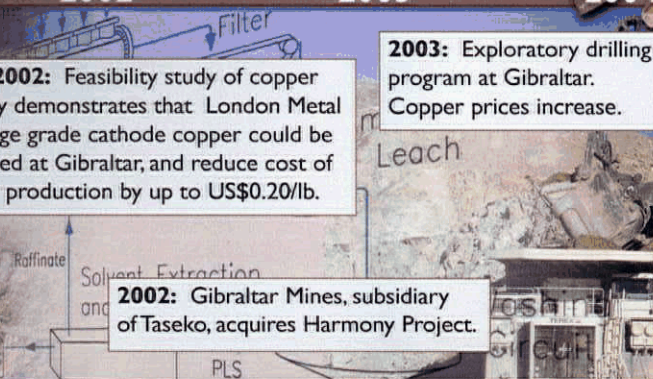
2003: Exploratory drilling program at Gibraltar. Copper prices increase.

2004

2004: Molybdenum prices increase. Taseko secures listing on AMEX "TGB" in September. Gibraltar Mine reopens in October. First copper concentrate shipped in December.

2005

2005: Gibraltar production ramps up with first molybdenum concentrate shipped in February. Year end results demonstrate positive growth, with earnings of \$24.4 million and revenues of \$71.9 million from copper and \$15.7 million from molybdenum.



Consolidated Balance Sheets (expressed in Canadian Dollars)

	Sep 30, 2005	Sep 30, 2004
Assets		
Current Assets		
Cash and equivalents	\$21,728,789	\$14,892,947
Amounts receivable	6,746,378	2,766,184
Advances to related parties	-	194,857
Concentrate inventory	16,284,800	-
Supplies inventory	4,589,431	-
Prepaid expenses	1,914,214	210,015
Current portion of future income taxes	4,479,000	-
Current portion of promissory note	2,637,499	-
	58,380,111	18,064,003
Restricted cash	5,000,000	-
Mineral properties, plant and equipment	9,916,992	26,982,979
Assets under capital leases	20,794,000	-
Reclamation deposits	18,281,420	17,647,056
Promissory note	69,680,355	68,172,380
Future income taxes	8,944,000	-
	\$190,996,878	\$130,866,418
Liabilities and Shareholders' Equity		
Current Liabilities		
Operating line of credit	\$ -	\$1,857,740
Accounts payable and accrued liabilities	12,580,463	14,578,172
Advances from related parties	105,067	-
Current portion of vehicle loans	214,715	-
Current portion of capital lease obligation	2,092,334	-
Current portion of deferred revenue	14,748,000	175,000
Current portion of royalty obligation	2,637,499	-
Income taxes	19,645,000	23,744,000
	52,023,078	40,354,912
Vehicle loans	181,901	-
Capital lease obligation	12,984,805	-
Royalty obligation	66,153,298	67,357,000
Deferred revenue	1,400,000	1,575,000
Site closure and reclamation costs	17,314,000	15,740,000
	150,057,082	125,026,912
Shareholders' Equity		
Share capital	160,829,442	150,481,429
Convertible debenture	21,652,703	20,577,225
Tracking preferred shares	26,641,948	26,641,948
Contributed surplus	5,334,614	4,947,588
Deficit	(173,518,911)	(196,808,684)
	40,939,796	5,839,506
	\$190,996,878	\$130,866,418

status of "ore reserves." A Preliminary Assessment is based on inferred resources that are geologically speculative, and as a result, there is no certainty that the economic considerations or results will be realized.

Taseko Management

Russell Hallbauer, President and CEO Mr. Hallbauer is a professional engineer with over 30 years of mining experience. He has a strong background in copper mining, overseeing operating joint ventures and revitalizing mines to profitability.

John McManus, Vice President of Operations Mr. McManus is a professional engineer who has worked in the British Columbia mining industry for 25 years. He has extensive experience in mine operations, mine engineering and environmental management.

Robert Dickinson, Co-Chairman of the Board and Director Mr. Dickinson is an economic geologist who serves as a member of management for several Hunter Dickinson companies. He has been active in mineral exploration for more than 36 years.

Ronald Thiessen, Co-Chairman of the Board and Director Mr. Thiessen is an accredited public accountant in Canada and a director and/or officer of several Hunter Dickinson publicly traded mineral exploration companies.

Liquidity

For fiscal 2005 year end, Taseko reported revenues of CDN\$87.6 million and net earnings of CDN\$24.4 million. At September 30, 2005, Taseko had a cash balance of CDN\$21.7 million.

Cautionary and Forward Looking Information

This brochure includes certain statements that may be deemed "forward-looking statements". Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. All information relating to the project's potential and the other information such as capital and operating costs, production summary, and financial analysis, are "forward looking statements" within the definition of the United States Private Securities Litigation Reform Act of 1995. For more information on the risks inherent in the Company's business, Investors should review the Company's annual Form 20-F filing with the United States Securities Commission and its home jurisdiction filings that are available at www.sedar.com.

The brochure also refers to "measured, indicated and/or inferred mineral resources" which do not have demonstrated economic viability. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever achieve the

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