

**MAY 7, 1991**

**NEWS RELEASE**

**TASEKO/COMINCO DISPUTE SETTLED  
CONTROL OF GIANT GOLD-COPPER DEPOSIT RETURNED TO TASEKO**

Robert G. Hunter, Chairman of Taseko Mines Limited (TKO:V), is pleased to announce the successful conclusion of negotiations with Cominco Ltd. regarding the Fish Lake gold-copper deposit (the "Property") near Williams Lake, British Columbia. The Taseko/Cominco settlement agreement resolves six years of litigation and gives Taseko the exclusive right to control the Property for the next three years.

Should Taseko be the subject of a successful take-over bid or sell the Property during this period, Taseko and Cominco will divide the "Project Value" of the Property. Project Value is defined as 5/3 of the value of a take-over bid for Taseko's shares on a fully diluted basis; or the Property sale price should Taseko sell the Property.

Cominco's portion of the Project Value will be allocated on the following basis:

- If the Project Value is \$60 million or less Cominco will receive \$20 million.
- If the Project Value is between \$60 and \$70 million, Cominco will receive \$20 million plus 80% of the amount by which the Project Value exceeds \$60 million.
- If the Project Value is between \$70 million and \$120 million, Cominco will receive 40% of the Project Value.
- If the Project Value exceeds \$120 million, Cominco will receive and be capped at \$48 million.

Table I illustrates how the Project Value will be allocated between Taseko and Cominco in the event of a successful takeover bid for Taseko.

TABLE I

FISH LAKE PROJECT VALUE

<u>Taseko Take-over Bid (\$ millions)</u>	<u>Cominco Receives (\$ millions)</u>	<u>Project Value (\$ millions)</u>	<u>Percentage of Project</u>	
			<u>Taseko</u>	<u>Cominco</u>
40	20	60	67%	33%
41	24	65	63%	37%
54	36	90	60%	40%
72	48	120	60%	40%
102	48	150	68%	32%
152	48	200	76%	24%
210	48	258 *	81%	19%

\* Project Value for the Mt. Milligan gold-copper deposit as purchased by Placer Dome Inc., October, 1990.

Taseko has also agreed to issue up to 1,000,000 of its common shares to Cominco on the following basis:

- a) 300,000 shares on regulatory approval of the agreement;
- b) 300,000 shares in 6 months;
- c) an additional 400,000 shares in 14 months unless Taseko has earlier sold the Property or finalized a take-over bid.

Taseko or its nominee has a right of first refusal to purchase any shares issued to and sold by Cominco. Prior to any share issuances to Cominco, Taseko, on a fully diluted basis, will have 8,173,384 shares outstanding and \$2,550,000 in cash. Taseko has no work expenditure obligations on the Project.

In the event that by May 31, 1994 there has been neither a successful take-over of Taseko nor a sale of the Property, the Property will revert to Cominco with Taseko retaining a 20% net profits interest in the Property. In addition, Cominco will grant to Taseko, for a 2.5 year period following May 31, 1994, a right of first refusal on any proposed sale of the Property by Cominco.

The Fish Lake deposit ranks among the world's largest, gold-copper deposits with mineable reserves, calculated by Taseko's consultants, containing in excess of 5 million ounces of gold and 2 billion pounds of copper. The property has been tested with some 26,380 metres of drilling in 168 holes. This work has outlined a cylindrical shaped deposit with an average diameter of 900 metres and a depth of at least 550 metres. This giant deposit is well located with respect to infrastructure and is ideally suited for a low-cost, large-scale open pit mine operation. Reserves are open

to expansion. The balance of the 12 square kilometre Fish Lake disseminated sulphide system remains unexplored.

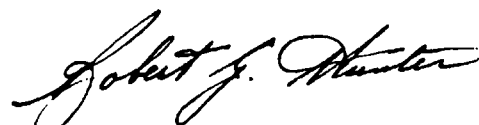
Table II summarizes mineable - diluted reserves for the Fish Lake deposit and shows a favourable comparison with published reserves at Mt. Milligan prior to Placer Dome Inc.'s successful \$258 million take-over bid.

TABLE II  
FISH LAKE AND MT. MILLIGAN GOLD-COPPER DEPOSITS  
DRILL INDICATED AND INFERRED - MINEABLE AND DILUTED RESERVES

PROJECT	CUTOFF GRADE CU EQUIV. (%)	TONS	GRADE		CU EQUIV. (%)	CONTAINED AU OUNCES	STRIP RATIO
			CU (%)	AU OUNCES/TON			
FISH LAKE	0.2	526,429,000	0.20	0.011	0.50	5,694,000	0.7/1
	0.3	449,232,000	0.21	0.012	0.54	5,253,000	1.0/1
	0.4	361,770,000	0.23	0.013	0.60	4,653,000	1.5/1
MT. MILLIGAN	0.2	549,181,000	0.18	0.011	0.50	6,040,000	0.6/1
	0.3	449,285,000	0.19	0.013	0.55	5,840,000	0.9/1
	0.4	329,819,000	0.22	0.016	0.67	5,280,000	1.6/1

A complete technical update of the Fish Lake project is in preparation and will be available shortly.

ON BEHALF OF THE BOARD



Robert G. Hunter  
Chairman

The Vancouver Stock Exchange has neither approved nor disapproved the information contained in this news release.