



Goepel Shields & Partners

675075

i n s i g h t

Mining UPDATE

June 10, 1992

Deposit Length

.....
Increased by

Over 140%

RECOMMENDATION:
SPECULATIVE BUY

ALAN FERRY, CFA
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TASEKO MINES LIMITED (TKO-V, \$15.25)

Taseko announced the results of the step out drilling at its Fish Lake deposit has increased the length of the deposit from 1600 feet to 3900 feet. The initial reserve block of 600 million tons was based on a 1600 foot length. The deposit dimensions are now 3900 feet east-west, 2200 feet north-south, and up to 2700 feet. The deposit remains open in all dimensions and three rigs are continuing to drill.

Large diameter drilling has been completed on the eastern side of the deposit in 24 holes, of which 14 were completed in the latest drill program. The average assay for these holes was 0.29% copper, 0.015 ounces of gold per ton (0.80% copper equivalent) over an average thickness of 2054 feet.

On the western side of the deposit, five of six widely spaced holes intersected an average thickness of 711 feet grading 0.18% copper and 0.012 ounces of gold per ton (0.61% copper equivalent).

Drilling is continuing on 100 metre centres to outline the full extent of what is turning out to be an enormous copper-gold resource. The drilling pattern is designed to follow the valley that contains the initial reserve so that the most recent intersections are not overlain by excessive amounts of waste and overburden.

Very Positive News, Stock Still Has Upside Potential

While it is still too early to evaluate the new results, it is clear that reserves will be greatly increased from the present level of over 10 million ounces of gold and almost 4 billion pounds of copper. Our earlier valuations of \$10 to \$12 per share were based on the original 600 million ton reserves. With the potential to at least double the reserves, our preliminary sense is that our valuation could also increase significantly. We believe TKO shares could trade up to the \$20 to \$25 range in the future and the stock remains a speculative buy.



Goepel Shields & Partners

i n s i g h t

Mining UPDATE

Deep Drilling Confirms

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Reserves At
.....
Fish Lake

Taseko Mines Limited (TKO-V \$7.00)

Taseko has completed a deep, ten-hole, large-diameter drilling program which has confirmed a reserve of at least 450 million tons within a 2000 feet deep open pit design. The holes, which ranged in depths up to 2800 feet, all intersected economic ore grades through most of the core lengths.

The drills were set in a cross-shaped pattern measuring 2000 feet by 1600 feet at 100 metre (325 foot) spacings. The average of the cores assayed at 0.32% copper and 0.016 ounces per ton gold. The copper equivalent grade was 0.86% indicating a potential net smelter return (NSR) per ton at \$9.50 assuming US\$1.00 copper and US\$400 gold. This is over double the expected operating costs per ton of about \$4.00. Step out drilling is expected to increase the tonnage with a 600 million ton potential possible.

A summary of the drilling results appears in the following table. The assay results for holes # 91-6 to 91-10 have just been released.

Recommendation: Buy

Fish Lake Drilling Results

Drill Hole	From (feet)	To (feet)	Thickness (feet)	Copper (%)	Gold (oz/ton)	Cu Equiv. (%)	NSR (\$/ton)
91-1	32	2746	2714	0.37%	0.022	1.12%	\$12.44
91-2	25	2712	2687	0.35%	0.019	1.00%	\$11.10
91-3	144	2617	2473	0.35%	0.016	0.90%	\$9.96
91-4	105	2552	2348	0.32%	0.015	0.84%	\$9.21
91-5	63	2419	2356	0.30%	0.015	0.82%	\$9.03
91-6	35	2610	2575	0.31%	0.013	0.78%	\$8.44
91-7	50	748	698	0.26%	0.013	0.73%	\$7.84
91-8,10	649	2366	1719	0.33%	0.015	0.86%	\$9.48
91-9	170	2303	2074	0.23%	0.010	0.54%	\$5.50
			2182	0.32%	0.016	0.86%	\$9.50

ALAN FERRY, CFA
Toronto, October 29, 1991
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Almost 10 Million Ounces of Gold

The latest results continue to demonstrate the viability of the Fish Lake deposit. About 600 million tonnes has been outlined containing 9.6 million ounces of gold and 3.8 billion pounds of copper, we believe this project will continue to attract interest from major mining companies. A metallurgical test on one ton resulted in good recoveries of 88% for copper and 77% for gold. Also the work index (i.e. hardness) of the ore is low at 10, less than half the hardness at Mt. Milligan. The NSR is higher than most other B.C. copper mines due to the higher copper equivalent grade.

The Fish Lake project compares favourably with major world class copper mines as shown on the following table. On a copper equivalent basis Fish Lake contains over 10 billion pounds, about one half the size of Kennecott's huge Bingham Canyon mine in Utah and twice the size of the OK TEDI mine in Papua, New Guinea.

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Fish Lake Ranks Among World's Largest Deposits

Deposit	Location	Reserve MM Tons	Grade		Contained Metal		
			CU %	AU oz/ton	Copper Billion lbs	Gold MM oz	CU. Equiv. Billion lbs
Bingham	USA	710	0.70	0.014	9.9	9.8	15.8
Bougainville	PNG	770	0.40	0.014	6.2	10.8	13.6
Island Copper	CAN	400	0.45	0.008	3.0	2.4	5.2
Morenci	USA	750	0.80	-	12.0	-	12.0
OK TEDI	PNG	342	0.72	0.017	4.9	5.8	4.5
Valley Copper	CAN	840	0.43	-	7.2	-	7.4
Fish Lake *	CAN	600	0.32	0.016	3.8	9.6	10.3

*Initial Reserve Only

Still A Speculative Buy

We estimate that Taseko's interest of this project is worth \$10 to \$12 per TKO share based on discounted cash flow calculations and capitalization of the gold content at \$15 to \$20 per ounce. We continue to recommend TKO shares as a speculative buy.



**Mining
UPDATE**

Step Out Holes

Confirm Huge

Intercepts

Taseko Mines Limited (TKO, \$8.00)

In a continuation of a nine hole drill program on its Fish Lake gold-copper deposit in central B.C., Taseko has reported the assays for the second and third holes. The first hole, 91-1, was reported in late August (see Insight dated August 27, 1991) which intersected over 2700 feet grading 0.37% copper and 0.022 ounces per ton gold, or 1.12% copper equivalent, well above the average ore grade of the deposit of 0.54% copper equivalent.

The latest two holes returned intersections of similar magnitude thereby confirming the first hole's results. Hole 91-2 was collared 100 metres (330 feet) west of hole 91-1 and hole 91-3 was collared 200 metres (660 feet) south of 91-2. The assays show very consistent grades over the length of the intersections for holes 91-2 and 91-3 of 2687.3 feet and 2473.4 feet respectively. The grades are slightly lower than those reported for hole 91-1 at 1.00% copper equivalent and 0.90% copper equivalent respectively, but are still well above the average for the deposit. The detailed results for holes 91-2 and 91-3 appears in the following table.

Recommendation: Buy

Fish Lake Deposit: Hole 91-2 Results

Interval (feet)	Thickness (feet)	Copper (%)	Gold (oz/ton)	Copper Equivalent (%)
25.0 to 2712.3	2687.3	0.35	0.019	1.00
including:				
25 to 300	275	0.34	0.016	0.90
300 to 600	300	0.27	0.029	1.27
600 to 900	300	0.32	0.030	1.38
900 to 1200	300	0.37	0.021	1.08
1200 to 1500	300	0.32	0.012	0.73
1500 to 1800	300	0.33	0.013	0.76
1800 to 2100	300	0.37	0.018	0.99
2100 to 2400	300	0.44	0.015	0.96
2400 to 2712.3	312.3	0.36	0.012	0.78

Fish Lake Deposit: Hole 91-3 Results

Interval (feet)	Thickness (feet)	Copper (%)	Gold (oz/ton)	Copper Equivalent (%)
144.0 to 2617.4	2473.4	0.35	0.016	0.90
including:				
144 to 300	156	0.24	0.011	0.63
300 to 600	300	0.32	0.012	0.80
600 to 900	300	0.28	0.013	0.71
900 to 1200	300	0.26	0.013	0.71
1200 to 1500	300	0.38	0.019	1.04
1500 to 1800	300	0.45	0.023	1.25
1800 to 2100	300	0.46	0.021	1.19
2100 to 2400	300	0.31	0.015	0.82
2400 to 2617.3	217.4	0.38	0.015	0.90
2617.4 to 2696.3	78.9	0.07	0.002	fault

ALAN FERRY, CFA
Toronto, September 17, 1991
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Taseko Mines Limited

September 17, 1991

Page 2

The current nine hole program is drilling vertical, large diameter holes in a cross shaped pattern made up of two 400 metre grid lines at right angles. At this time, holes 91-4 and 91-5 have been completed to depths of 2683 and 2507 feet respectively with assays pending. Holes 91-6 and 91-7 are partially completed. These holes contain disseminated copper sulphide mineralization throughout the intercepts.

Preliminary Pit Contains 9 Million Ounces Gold, 3.4 Billion Pounds Copper

The latest results continue to confirm two important facts:

- (1) the orebody has tremendous reserves open to depth, and
- (2) the ore grades are higher than originally thought.

A new preliminary open pit has been suggested by Taseko management which contains about 600 million tons of ore with at 1.2 to 1 waste-to-ore ratio. The latest drilling bottomed some 500 feet below the hypothetical pit bottom. The contained metal in this pit totals 9 million ounces of gold and 3.4 billion pounds of copper. These figures are more than 75% above the estimates before this drilling program which had contained metals of 5.1 million ounces of gold and 1.9 billion pounds of copper.

Our initial valuation of \$7 to \$9 per Taseko share was based on the earlier lower results. The latest figure would suggest that the value of the company could be much greater. We would continue to rate Taseko shares as a speculative buy.



Goepel Shields & Partners

Mining UPDATE

Huge 2700 Foot

Above-Grade

Intersection

Recommendation: Buy

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Toronto, August 27, 1991
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i n s i g h t

Taseko Mines Limited (TKO-V, \$5.50)

Taseko reported a huge drill intersection in their 1991 drilling program at the Fish Lake deposit near Williams Lake B.C. Hole # 91-1 drilled through the core of the orebody intersected 2714.3 feet of copper-gold mineralization starting 32 feet below surface and ending 500 feet below the deepest level of the preliminary open pit design. The average grade of the intersection was 0.37% copper and 0.022 ounces per ton gold and the hole bottomed in ore.

These grades are respectively 76% and 83% above the average mineable grade previously reported by the company. The mineable reserves were last reported at 449 million tons grading 0.21% copper and 0.012 oz per ton gold. The grade and tonnage of the deposit should be significantly upgraded with this level of results. Two other holes in progress have also intersected over 2000 feet of copper mineralization but have not been assayed yet. The previous deepest hole went down 1450 feet below surface.

As shown in the table below, the grades are very consistent down the hole with a high grade gold section grading 0.064 oz per ton between the depths of 900 and 1200 feet. The copper grades increase with depth with grades over 0.5% below 900 feet.

Fish Lake Deposit: Hole 91-1 Results

Interval (feet)	Thickness (feet)	Copper (%)	Gold (oz/ton)	Copper Equivalent (%)
32.0 to 2746.3	2714.3	0.37	0.022	1.055
including:				
32 to 300	208	0.25	0.014	0.70
300 to 600	300	0.25	0.012	0.62
600 to 900	300	0.32	0.018	0.97
900 to 1200	300	0.40	0.064	2.60
1200 to 1500	300	0.36	0.017	0.96
1500 to 1800	300	0.41	0.018	1.04
1800 to 2100	300	0.41	0.017	0.99
2100 to 2400	300	0.47	0.018	1.03
2400 to 2746.3	348.3	0.43	0.017	0.95

The latest program is using a large diameter drill (about 3.5 inches) which appears to be retaining a higher degree of the contained metal due to the larger sample. Due to the relatively low work index of the rock (approx. 10), it is possible that previous drilling by Cominco using smaller diameter drills (mainly 1.5 inches), may have understated the grades of the deposit. This, plus indications of good metal recoveries in the preliminary metallurgical tests, could have very positive implications.

The company plans to drill nine holes in a cross pattern in 100 metre step outs around the previous deepest hole. The latest hole was on the eastern limb of the cross.

Still On Target For \$7 to \$9 Valuation

These results add more support to our initial valuation of TKO shares in the \$7 to \$9 range as stated in our report dated May 9, 1991. We therefore continue to recommend purchase of TKO shares.



Goepel Shields & Partners

i n s i g h t

Mining

UPDATE

Metallurgical Tests

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Almost Complete

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Drilling Program To

.....

Begin in August

Alan Ferry, CFA

(416) 594-1000

Toronto, July 22, 1991

TASEKO RESOURCES (TKO-V, \$4.20)

Taseko Resources announced an update on their Fish Lake gold-copper deposit near Williams Lake, B.C. The deposit contains mineable diluted reserves of 449.2 million tons at a 0.3% copper equivalent cutoff grading 0.21% copper and 0.012 ounces per ton of gold. The contained metal totals about 5.25 million ounces of gold and 1.9 billion pounds of copper. The deposit could be mined by open pit and has a low strip ratio of 1:1. (For background information, see the Goepel Shields Research Report dated May 9, 1991.)

Metallurgical tests are nearing completion at Lakefield Research where a one tonne drill core bulk sample has been tested. The ore has a low work index so it is easily milled and the gold and copper recoveries have been good. Simple copper flotation produces a high quality copper concentrate. Details of the results are expected at the end of July.

The company also announced that a 20,000 foot, large diameter diamond drilling program is scheduled to start on August 4th with two rigs. The program is designed to expand mineable reserves at depth and to provide core for pilot plant testwork. The Fish Lake deposit is cylindrically shaped at 3,000 feet in diameter. Previous drilling all stopped in copper-gold mineralization so the potential for an extension at depth is very good.

We continue to recommend purchase of TKO shares since there is considerable interest in the North American mining community in the Fish Lake deposit. Our target for the stock remains at \$7 to \$8.75.

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Taseko Controls

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Next Mt. Milligan After

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Cominco Settlement

ALAN FERRY, CFA

Toronto, May 9, 1991
(416) 594-1000

RECOMMENDATION: BUY

TASEKO MINES LIMITED (TKO, \$4.05)

The former directors of Continental Gold are attempting to double lightning's odds by striking again with a Mt. Milligan clone at Taseko's Fish Lake gold-copper deposit. Using a proven formula, new Taseko management has regained control of this large, low grade porphyry deposit in the Quesnel Trough. The directors of Taseko control over half of Taseko's 7 million outstanding shares.

Mineable drill indicated reserves at Fish Lake have recently been increased to about 425 million tons (at a 0.30% copper equivalent cutoff) grading 0.22% copper and 0.012 ounces of gold per ton. The contained metal is 1.9 billion pounds of copper and 5.1 million ounces of gold. By comparison, Mt. Milligan at the time of the Placer Dome offer, had reserves of 425 million tons grading 0.20% copper and 0.013 opt gold containing 1.7 billion pounds of copper and 5.5 million ounces of gold.

We strongly recommend purchase of Taseko shares for speculative accounts.

Favourable Location

Fish Lake is located about 175 road kilometres southwest of the town of Williams Lake (home of Gibraltar Mines) in south-central B.C. and about 160 air kilometres north of Vancouver (see Figure 1). About half the road trip is on paved highway (#20) and the rest by a government maintained all weather gravel road. Electrical power would come from the B.C. Hydro Soda Creek Substation at

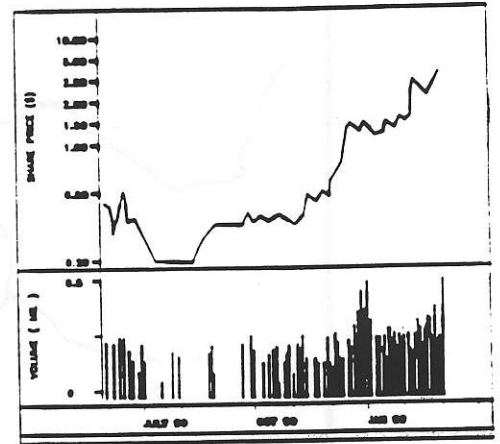


Chart courtesy of Taseko Mines Limited

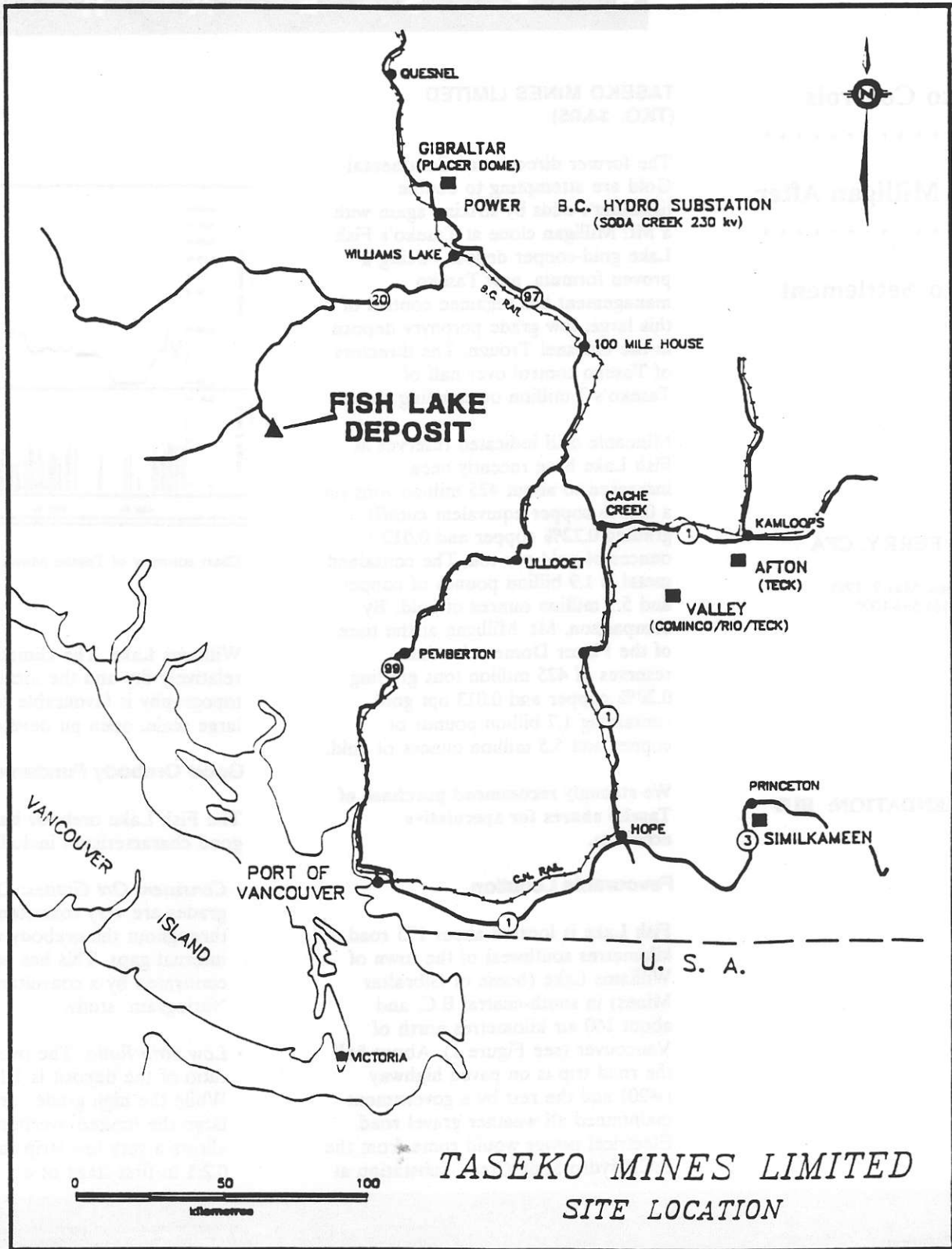
Williams Lake. The climate is relatively dry and the local topography is favourable for a large scale, open pit development.

Good Orebody Fundamentals

The Fish Lake orebody has very good characteristics including:

- **Consistent Ore Grades:** Ore grades are very consistent throughout the orebody with few internal gaps. This has been confirmed by a consultant's "variogram" study.
- **Low Strip Ratio:** The overall strip ratio of the deposit is 1.1-to-1. While the high grade core is not large the limited overburden allows a very low strip ratio of 0.2:1 in first stage of a

Figure 1



preliminary three-stage pit design. Also, the orebody is shaped like a "short cylinder" which lends it very well to a regular, cone-shaped open pit with little waste from stepping back the pit walls (see Figure 2).

- **Reserves Open:** Ore reserves of 425 million tons are calculated within a final open pit that is about 1300 metres in diameter and 600 metres deep and are supported by 100 drill holes totalling 20,000 metres of cored drilling. The reserves are open to depth and to the north and west. About 65% of these reserves are drill indicated. The remainder are drill-inferred and require additional drilling to be upgraded to the "indicated" category.

- **Low Work Index:** The work index is a measure of the hardness of the ore. The significance of the number is the amount of grinding and therefore the amount of electricity required to process ore. Fish Lake ore has a work index of 13 to 14. Taseko management is of the view that Fish Lake's relatively soft ore (low work index) will have a significant positive impact on capital and operating costs.

- **Environmentally Acceptable:** The low sulfide content of the Fish Lake ore (about 1% to 2%), plus the presence of acid neutralizing minerals (gypsum and calcite) within the deposit suggest that acid generation will not be a problem at Fish Lake.

Preliminary Economics Very Encouraging

The company has conducted a preliminary economic analysis which suggests a rapid payback at US\$400 gold and US\$1.00 copper. Revenues at these prices are split roughly 50/50 between gold and copper. Cash costs for each byproduct are estimated at US\$258 per ounce of gold and US\$0.63 per pound of copper over the life of the mine. The cash costs per ounce of gold net of copper revenues are

calculated at a low US\$121 per ounce for the life of the mine and an incredibly low US\$51 per ounce in the first four years. The low costs in the first four years are attributed to the very low 0.2:1 waste-to-ore stripping ratio in the starter pit. The company has outlined a scenario that postulates a \$400 million capital cost, 66,000 ton per day operation that would produce about 200,000 ounces of gold per year and 87 million pounds of copper per year for 20 years with higher production of both metals in the first four years. The project payback at US\$400 gold and US\$1.00 copper is calculated at 4 years. Table 1 summarizes the company's evaluation parameters and projections.

We calculated a discounted cash flow value assuming three metal price scenarios using 75% debt financing (\$300 million) at 11%, a 20% discount rate on pre-tax cash flow and a US\$0.85 exchange rate. The resulting value per Taseko share (fully diluted) is as follows in Table 2:

Table 2. Pre-Tax DCF at 20% Per TKO Share

	Gold Price (US\$/oz)	Copper Price (US\$/lb)	DCF/TKO Share (8.8 MM Shares)
Optimistic Case	\$400	\$1.25	\$10.04
Base Case	\$370	\$1.15	\$ 7.13
Pessimistic Case	\$350	\$1.00	\$ 3.77

We believe the above figures support the current TKO share price and also support our target price range of \$7.00 to \$8.75 based on gold capitalization rates of \$20 to \$25 per ounce in reserves (see next section).

Taseko Inexpensive When Compared To Continental Gold

When compared to the value of Mt. Milligan implied from Placer Dome's \$20 take-over of Continental Gold, which owned about 70% of Mt. Milligan, Taseko shares at \$4.05, look inexpensive. In Table 3, we show a comparison of the two deposits based

on Mt. Milligan's reserves at the time of Placer Dome's purchase. Using current metal prices, Fish Lake compares favourably in terms of gross operating profit margin at 39% versus 38%. Both deposits are roughly the same size but Mt. Milligan is slightly richer in gold. The \$20 takeover price of Continental Gold capitalized the contained gold in reserves (or gold equivalent using a gold-to-copper ratio of 320:1) at roughly 4 times the current capitalization of Taseko Mines (using a fully diluted 8.8 million shares).

We would not expect a Continental Gold type premium to be paid for Taseko due to factors such as a weaker stock market environment for gold shares and a slower mergers and acquisitions market. We are not suggesting that Taseko shares will increase by 400%, however an increase in the area of

200% in a takeover appears to be possible. Taseko shares are trading at under \$12 per ounce of contained gold, excluding the copper, which is well below the finding costs for most major mining companies. As a result, this company has attracted the interest of several major mining companies looking at the possible acquisition of Fish Lake through the takeover of Taseko. Our target range for the share price over the next six to nine months is \$7.00 to \$8.75 based on a gold capitalization rate range of \$20 to \$25 per ounce in reserves.

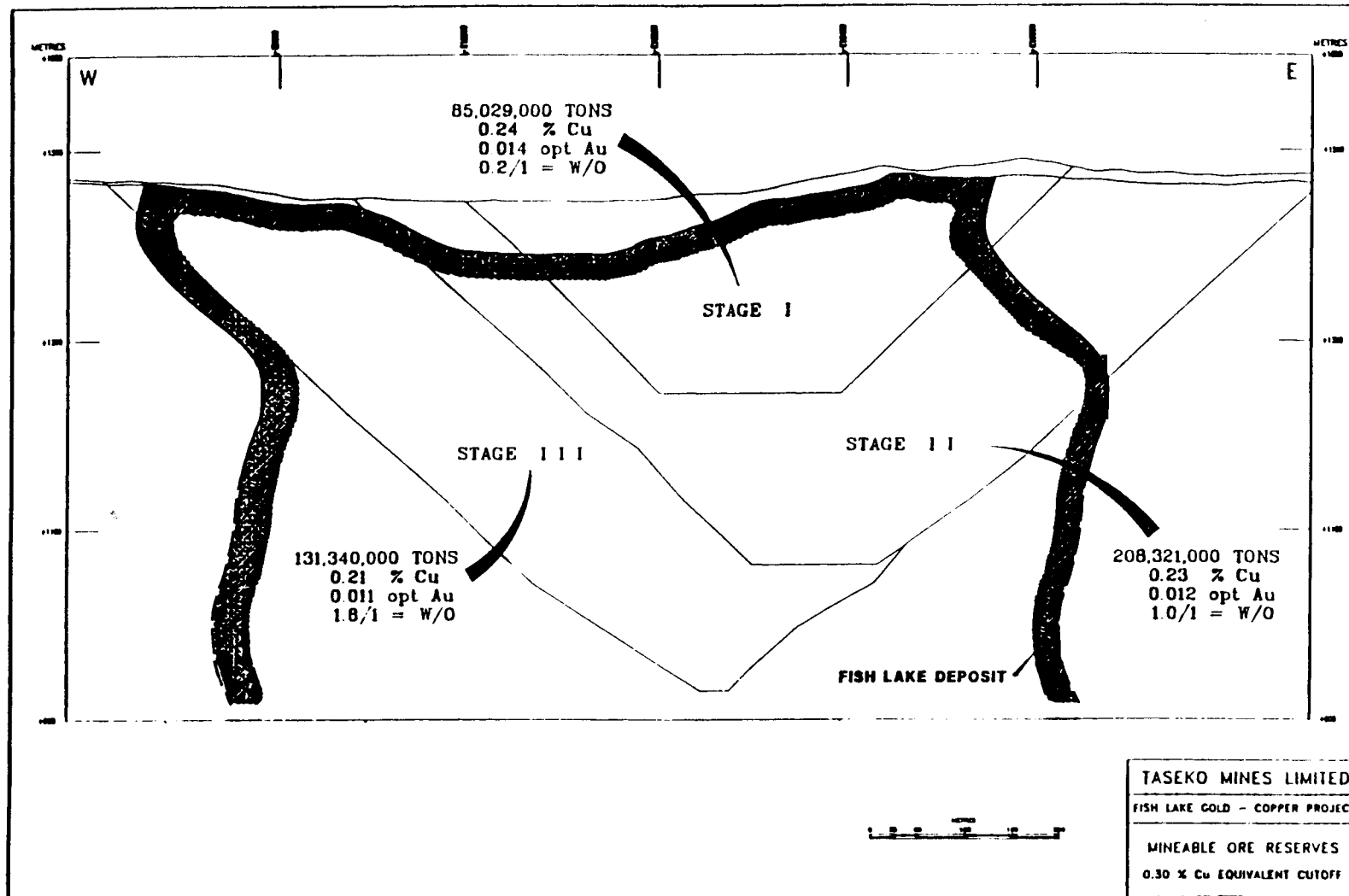


Figure 2

CUTOFF GRADE		MINEABLE ORE RESERVES						
NSR \$/ ton	Cu EQUIV. %	TONS	Cu %	Au opt	Cu EQUIV. %	Au CONTAINED ounces	WASTE ORE	
2.50	0.20	497,700,000	0.21	0.011	0.63	6,475,000	0.8 / 1	
4.00	0.30	424,700,000	0.22	0.012	0.67	5,096,000	1.1 / 1	
5.00	0.40	342,000,000	0.24	0.013	0.62	4,446,000	1.6 / 1	
STAGE I PIT	0.20	85,029,000	0.24	0.014	0.62	1,194,000	0.2 / 1	

Table 1. Fish Lake Project: Company Projections

EVALUATION PARAMETERS			
METAL PRICES	Gold US\$ 400 / oz Copper US\$ 1.00 / lb		
EXCHANGE RATE	C\$ 1.00 = US\$ 0.81		
SMELTER TERMS	Japanese Smelter Schedule Treatment and Refining Copper US\$ 0.25 / lb Gold US\$ 7.00 / oz		
COPPER CONCENTRATE TRANSPORTATION COST	\$ 65 / ton concentrate		
OPERATING COST	Mining	\$ 0.60 / ton Broken	
	Milling	\$ 2.15 / ton Milled	
	G & A	\$ 0.40 / ton Milled	
MINE MODEL			
Milling Rate (tons/day)	66,000		
Milling Rate (tons/year)	22,090,000		
Mine Life (years)	20		
Project Capital Costs (C\$)	400,000,000		
Waste / Ore	0.5/1 - 1.3/1		
Mine Site Costs (C\$/ton)	3.50 - 4.00		
Projected Payback (years)	4		
PROJECTED ANNUAL OPERATIONS			
	ANNUAL AVERAGE		
	Years 1-4	Years 5-20	Years 1-20
Gold Feed Grade (oz/ton)	0.014	0.012	0.012
Copper Feed Grade (%)	0.24	0.22	0.22
Gold Recovery (%)	74.3	72.3	72.7
Copper Recovery (%)	90.3	88.8	89.1
Gold Production (oz)	231,200	192,700	200,400
Copper Production (lb)	96,304,000	86,776,000	88,682,000
Gold Production Cost (US\$/oz)	220	267	258
Copper Production Cost (US\$/lb)	0.54	0.65	0.63
Gold Production Cost (US\$/oz) (Net of Copper Revenue)	51	138	121

Source: Taseko Mines Limited

Table 3. Comparison of Values

	Taseko/ Fish Lake	Continental/ Mt. Milligan	Mt. Milligan/ Fish Lake Ratio
Reserves			
Tonnage (MM tons)	424.7	425.0	1.00x
Grade: Gold (oz/ton)	0.012	0.013	1.08
Copper (%)	0.22%	0.20%	0.91
Contained Metal			
Gold (000s oz)	5096	5525	1.08
Copper (MM lbs)	1869	1700	0.91
Current Metal Prices			
Gold (US\$/oz)	\$355	\$355	
Copper (US\$/lb)	\$1.12	\$1.12	
Cdn. Dollar (US\$)	\$0.867	\$0.867	
Net Smelter Return/Ton ⁽¹⁾ (At current metal prices)	\$6.25	\$6.48	1.04
Operating Cost/Ton	<u>\$3.80</u>	<u>\$4.00</u>	<u>1.05</u>
Operating Profit/Ton	\$2.45	\$2.48	1.01
Gross operating profit margin	<u>39.2%</u>	<u>38.3%</u>	<u>0.98</u>
Market Cap./oz gold in reserves ⁽²⁾	\$12.48	\$46.77	3.75
Market Cap./oz gold equivalent (gold copper ratio at 320:1)	\$5.82	\$23.84	4.10

(1) Assumes mine-life recovery rates as follows:

Fish Lake: copper - 89.1%, gold 72.7%

Mt. Milligan: copper - 90.5%, gold 75.2%

Assumes treatment and refining charges as follows:

copper - US\$0.25/lb., gold - US\$7/oz.

(2) Based on a 60% interest median case for Taseko in Fish Lake and Continental's 69.84% interest in Mt. Milligan.

**Taseko and Cominco Settle.
Taseko Regains Control Of Fish
Lake**

The six year legal dispute with Cominco has been resolved. The settlement agreement gives Taseko the exclusive right to control the deposit over the next three years. The sale of Fish Lake to a third party would be at the sole discretion of Taseko. In the event of a successful takeover bid of Taseko or the sale of the property, Taseko and Cominco would divide the "project value" defined as 5/3 of the value of the takeover bid for Taseko's shares on a fully diluted basis (8,773,384 shares).

Cominco is guaranteed a minimum of \$20 million and is limited to a maximum of \$48 million. The amounts to be received under various scenarios by Taseko shareholders and Cominco is set out according to a formula illustrated in Table 4 (based on Table I of Taseko's May 8th news release). For example, if a purchaser offered \$120 million for 100% of Fish Lake, Cominco would get \$48 million and Taseko would get \$72 million (\$8.21 per TKO share, fully diluted). At \$150 million, Cominco would be limited to \$48 million and Taseko shareholders would receive \$102 million (\$11.63 per TKO share). (Note: In our valuations, we have assumed a median case where Taseko shareholders would receive 60% of the project value although this would understate a bid for Taseko that exceeds \$72 million.) Taseko has also agreed to issue up to one million shares in three tranches to Cominco and has maintained a right of first refusal on any TKO shares sold or issued by Cominco.

Table 4. Fish Lake Project Value

<u>Taseko Per Share(s)</u>	<u>Take-over Bid Value (\$MM)</u>	<u>Cominco Receives (\$MM)</u>	<u>Project Value (\$MM)</u>
\$4.59	\$ 40	\$ 20	\$ 60
4.67	41	24	65
6.15	54	36	90
8.21	72	48	120
11.63	102	48	150
17.33	152	48	200
23.94	210	48	258(2)

(1) 8.8 mm shares fully diluted assuming Cominco takes down first two tranches of TKO shares totalling 600,000 shares.

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

With a number of major companies already reviewing the project, plus management's proven record in this type of transaction, we believe that there is a high probability of the takeover offer for Taseko within the next six to nine months.