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TASEKO MINES LIMITED TKO:VSE (\$6¾ Cdn.)

Company News Release: Update

Recommendation: Aggressive Accounts. Continue to Buy.

As of October 2, 1991, Taseko has released assays from five large diameter deep seated diamond drill holes from the Fish Lake gold-copper project located near Williams Lake, B.C. Canada. The results reflect 5 out of 9 planned 0.5 mile deep probes into this remarkable gold-copper porphyritic system. The five holes represent some 13,000 ft of drilling at an average vertical length of 2,600 ft each.

Up until recently, approximately 160 diamond and percussion drill holes had been completed on the property, totalling some 85,000 ft. Of particular interest was the fact that most of these holes were shallow (600 ft) and bottomed in ore grade gold-copper mineralization. The latest round of drilling was tested below these shallow holes and indicates that gold-copper mineralization is continuous to a depth of 2,600 ft. More significantly, copper grades increased by 47% and gold grades by 38% when compared with the previously reported drill results.

TABLE 1 below summarizes 1991 drillhole results:

Drill Hole No.	From (feet)	To (feet)	Thickness (feet)	Copper (%)	Gold (oz/ton)	CU Equiv. (%)
91-1	32	2746	2714	0.37	0.022	1.12
91-2	25	2712	2687	0.35	0.019	1.00
91-3	144	2617	2473	0.35	0.016	0.90
91-4	105	2552	2348	0.32	0.015	0.84
91-5	63	2419	2356	0.30	0.015	0.82
Average			2516	0.34	0.018	0.94

The DDH's 1-5 were systematically sampled at 6.5 ft intervals and displayed continuous ore grade gold and copper values averaging 0.94% copper equivalent over an average thickness of 2,516 ft. These five widely spaced holes covered an area measuring 1,300 ft x 1,000 ft. Taseko has tabulated the results to depth over 300 ft intervals. Each 300 ft interval exhibits consistent gold-copper grades.

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The results contrast sharply with Taseko's earlier estimates.

Previously reported Mineable and Diluted Ore Reserves	Results of Latest 1-5 Diamond Drill Holes	% Change
0.23% Copper	0.34% Copper	47%
0.013 oz Gold per Ton	0.018 oz Gold per Ton	38%
0.68% Copper Equiv.	0.94% Copper Equiv.	47%
362 million tons at 0.40% Copper Equiv. cut-off	Est'd greater than 600 million tons	> 50%
Contained ounces of gold 4,653,000 oz	Est'd greater than 7.0 million ounces	> 50%

Taseko is in the process of assaying DDH's 6 and 7 which were completed to 2,600 ft. Disseminated copper sulphide mineralization is evident throughout in these holes. DDH # 8 and # 9 are in progress. Completion of these holes would represent a drilled area of 1,300 ft x 1,700 ft.

Comments

1. Copper grades improve with depth. Core recovery of 100% vs. about 75% in previous drilling has enhanced copper and gold grades in the upper portion of the deposit by approximately 15%.
2. The increased depth of mineralization suggests a greater tonnage and therefore longer project life. Conceptually this project would operate at 65,000 t.p.d. or 22.0 million tons per year providing a cash flow over an additional 10 years from the previous 20 year estimate.
3. The improved gold-copper grades significantly increase the net smelter return per ton of ore and suggests reduced economic risk to variations in commodity prices.
4. Tonnage and grades represent an increase in gold content from a previous 4.6 million ounces estimate to potentially greater than 7.0 million ounces contained gold.

We had originally valued a buyout of the reserves at between \$22-\$28 per ounce of contained gold or a target price of between \$6.50-\$9.00 per Taseko share.

Reserves potential in excess of 7.0 million ounces suggests a share price target in excess of \$12.00 per share.

Recommendation: We continue to recommend purchase of Taseko shares for aggressive accounts.

Anthony W. Garson

Date: October 7, 1991

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