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# LARAMIDE RESOURCES LTD.

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## Proposed acquisition of Taseko Mines Ltd.

### by Laramide Resources Ltd.

During 1987 the Fish Lake gold-copper deposit owned by Taseko and located 105 road miles southwest of Williams Lake, B.C., has been researched and investigated by Laramide. The Fish Lake property covers a gold-copper resource that has potential for near term development as an open pit mine which could produce more than 100,000 oz. of gold and 40 million pounds of copper per year at a mining rate of 30,000 tons per day. Further work work is required to define this resource and there is good exploration potential to expand the known reserves. Taseko owns 100% of the Fish Lake Property subject to an option by Cominco which is

disputed and is presently being prepared for trial. If Taseko wins The Trial it will retain 100% interest and if it loses a carried 20% net proceeds interest in production. Laramide's research includes an independent legal opinion that strongly supports the merit of Taseko's claim.

Taseko Mines Ltd. has an issued capital of about 4 million shares and currently trades on the Vancouver Stock Exchange at \$0.60 for a Total Market Capital of \$2.5 million. It is proposed that Laramide make a general offer to the shareholders of Taseko to purchase up to 50% of their shares for a total maximum consideration of \$2 million cash. At this time Laramide owns 224,000 shares of Taseko.

#### The Fish Lake Gold-Copper Deposit

The deposit is situated on the western margins of the Chilcotin plateau, the terrain is moderate with gravel road access. Gold and copper mineralization is related to a "porphyry" intrusive complex hosted by Cretaceous aged sediments and Volcanic rocks. The known lateral extent of the hydrothermal system is 2 km x 3 km.

It is estimated that the main deposit as defined by extensive diamond drilling contains 220,000,000 tons averaging .24% Copper and .014 opt gold at an ore to waste ratio of 1:1.68.

There is a high grade core zone of 55,000,000 tons averaging .30% Copper and .015 opt gold. In addition there are at least three gold rich zones peripheral to the main deposit which have been identified in a preliminary way by drilling.

### Economics and Potential

Cominco and Wright Engineers on behalf of Cominco have done some preliminary economic studies assuming a 33,000 ton per day open pit mine. It was assumed in these studies that such a mine would ship concentrate containing 20% Cu, 1.14 opt Ag and .851 opt Au, during its first five years of operation. Using prices of \$1.20 (CAN) for Copper and \$600 (CAN) for gold an annual operating profit of \$54 million is achieved assuming Cominco's \$5/ton operating cost. Cominco has estimated capital costs of \$250 million. It should be emphasized that these figures have been derived from very coarse preliminary data.

Insufficient sampling, metallurgical testing and engineering has been done to fully determine the potential of this deposit. In addition there is strong exploration potential to find other gold deposits on the property within the Fish Lake Hydrothermal System.

### The Company

Taseko has been listed on the VSE for 20 years and has traded in a range of \$.05 to \$2.45. The current price is \$0.60, the issued capital is approximately 4 million shares. The company has no significant income or liquid assets. The directors own about 20% of the issued Capital of Taseko. Taseko management has been approached by Laramide with a view to making a private placement. Taseko has been friendly but unwilling to sell stock from its treasury at current levels. The market in Taseko shares is very thin and it is impossible to purchase a significant position without inflating the price substantially.

### Legal Dispute

Bethlehem Copper, a predecessor company of Cominco, held an option to earn an 80% interest in the Fish Lake property by making a production decision by November 30, 1984. Cominco was given a one year extension but failed to make a production decision and failed to do sufficient work to make such a decision. Taseko is suing for return of the property with the trial now scheduled for October 1988. Laramide has obtained an independent legal opinion that supports the merit of Taseko's case. Cominco has expressed an interest in negotiating with Taseko, indicating that they recognize some weakness in their position.

## Plan of Action

If Laramide is able to secure a significant position in Taseko, of 20% or more, it would then enlist the support of two other shareholders who own about 800,000 shares to gain control of the board. The two other shareholders have already expressed an interest in cooperating with Laramide.

Assuming success with the lawsuit, Taseko could then be financed to proceed with exploration and engineering studies on the Fish Lake property. In the unlikely event that Cominco prevails in the lawsuit Taseko would hold a carried interest without cost or could negotiate a larger participating interest.