

## Taseko Mines Limited

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Vancouver BC  
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802039

December 15, 1993

### **TASEKO ACQUIRES RIGHT TO PURCHASE COMINCO'S REMAINING INTEREST IN FISH LAKE PROPERTY**

Robert A. Dickinson, President of Taseko Mines Limited (NASDAQ:TKOCF; VSE:TKO) is pleased to announce that Taseko, by an agreement dated December 1, 1993, has acquired the exclusive right to purchase from Cominco Ltd. all of Cominco's residual interest in the Fish Lake Property. Taseko will acquire the balance of a 100% interest in the Fish Lake Property by causing payments to be made to Cominco totalling CDN \$20 million by May 31, 1995. Cominco will also retain a 5% net proceeds from production interest in the Fish Lake Property until it receives a maximum of CDN \$5 million. This agreement significantly strengthens Taseko's position in negotiations with major mine operators which are anticipated to be held when Project engineering and permitting reaches an advanced stage. The December 1, 1993 agreement amends the earlier arrangement with Cominco and is considered much more favourable to the Company as the requirement to pay Cominco up to CDN \$48 million for its residual interest in the Property in certain events has been deleted and there is no requirement for the Company to effect a takeover or sale of the Property by a specific deadline.

Under the terms of the new agreement, Taseko will pay Cominco CDN \$2 million from working capital and, to provide for payment of the CDN \$18 million balance, will issue to Cominco 1,636,364 common shares from treasury. During the option period, of up to 18 months, Taseko will exclusively direct the resale of the shares issued to Cominco. When the proceeds from placement of these shares reaches CDN \$18 million any remaining shares held by Cominco will be valued at market price which amount will be applied to reduce Cominco's net proceeds from production interest. Should the proceeds from the resale of the shares held by Cominco be less than CDN \$18 million over the 18 month period, Taseko could elect to terminate the agreement (and thereby retain a carried 20% net proceeds interest) or pay the difference in cash or issue additional shares so that CDN \$18 million is received by Cominco by May 31, 1995.

The Fish Lake deposit hosts a mineral resource containing over 14.8 million ounces of gold and 5.6 billion pounds of copper; the largest gold resource under development in North America. Taseko Mines recently awarded Kilborn Engineering Pacific Ltd. the contract to complete a detailed Prefeasibility Study for the Project. Kilborn's Study will determine the Project's value. Upon completion of the Study in the first quarter of 1994, management will commence introduction of the Project to senior mining companies with the goal to have a senior mining group bring the Project to production. In addition, the Fish Lake Project began the Provincial Government mine development permitting process in September, 1993.

Available infrastructure, excellent continuity, geometry and grade of mineralization, along with metallurgy and topography, all integrate favourably at the Project to make the Fish Lake Deposit well suited for high volume, low cost open pit mining. In March 1993, upon completion of its 221,719 foot diamond drill program, Taseko contracted Mineral Resources Development Inc. (MRDI) to complete a conceptual analysis of the Fish Lake Project. MRDI is an internationally recognized company specializing in reserve assessment, mine planning, process evaluation and feasibility studies. Using Taseko's 32,075 assay results, geological

interpretation and computerized data base, MRDI prepared a preliminary, mineral inventory, mineable reserve estimate, production rate, production schedule, mine plan, waste dump location plan and an estimate of capital and operating costs. From this work a preliminary 20 year financial model was developed and an economic analysis was conducted to determine the Project's sensitivities to changes in capital costs, operating costs and grade. The Study was completed with input from MRDI's team of geologists, mining engineers, geostatisticians and computer specialists. MRDI calculated a preliminary mineable reserve for the Fish Lake Project of 960 million tons grading 0.23% copper and 0.0125 ounces gold/ton with a waste to ore stripping ratio of 1.96:1. Contained metal within this reserve is 12 million ounces of gold and 4.4 billion pounds of copper. At a milling rate of 66,000 tons per day this preliminary mineable reserve provides for a mine life in excess of 30 years. In addition, MRDI's financial model provided a wide range of net present values and internal rates of return for a range of possible capital costs, operating costs and grades. Based on their overall conceptual study MRDI concluded that exploitation of the Fish Lake deposit is economically viable and the Project should proceed forthwith to the prefeasibility stage. All completed technical studies for the Fish Lake Project, including MRDI's conceptual study and the Pre-Application for a Mine Development Certificate are available for review at the Company's office.

After making the \$2.0 million cash payment and share issuance to Cominco, Taseko Mines will have a working capital position of CDN \$4.0 million and 12,338,238 shares outstanding on a fully diluted basis. The Fish Lake deposit contains 1 ounce of gold and 356 pounds of copper per Taseko common share.

**ON BEHALF OF THE BOARD**



Robert A. Dickinson  
President

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

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September 13, 1993

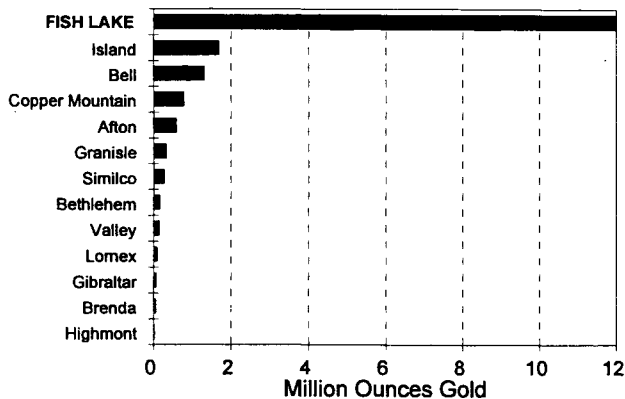
## CONTRACT AWARDED FOR DETAILED PREFEASIBILITY STUDY

Robert G. Hunter, Chairman of Taseko Mines Limited (NASDAQ: TKOCF; VSE: TKO.V) is pleased to announce that Kilborn Engineering Pacific Ltd. has been awarded the contract to complete a detailed Prefeasibility Study for the Company's Fish Lake Gold-Copper Project located near Williams Lake, British Columbia. The Study is expected to be completed by year end. Completion of this important project document will allow the investment and mining communities to properly assess the value of the Fish Lake Project.

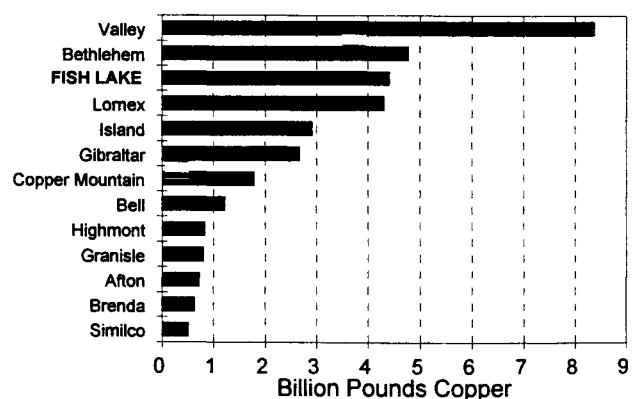
The Fish Lake deposit is the largest mineable gold resource under development in Canada with a mineable reserve containing 12 million ounces of gold and 4.4 billion pounds of copper which equates to 412 pounds of copper and 1.12 ounces of gold per Taseko common share. Available infrastructure, excellent deposit grade, continuity and geometry along with metallurgy and topography all integrate favourably at the Project to make the deposit well suited for high volume, low cost open pit mining. Upon commercial production annual metal production is forecast to range up to 260,000 ounces of gold and 109 million pounds of copper during an unusually long mine life of up to 40 years. With the economies of scale available at Fish Lake, the project is expected to be among North America's largest and lowest cost producers of gold and copper.

Further, the Fish Lake deposit is the largest bulk tonnage deposit ever discovered in British Columbia while its net smelter return per ton values are also among the best in the Province. Forecasts are that by the year 2000, due to the depletion of their reserves, only three of British Columbia's major open pit mines will remain in production. Already, in the past few years, four major open pit mines (Afton, Brenda, Equity and Bell) have ceased full scale operations. This situation coupled with the worldwide demand for new metal production makes the need for Fish Lake production exceptionally high.

**PRINCIPAL BRITISH COLUMBIA OPEN PIT MINES  
 RANKED BY CONTAINED GOLD**



**PRINCIPAL BRITISH COLUMBIA OPEN PIT MINES  
 RANKED BY CONTAINED COPPER**



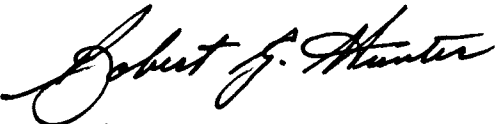
Kilborn's Prefeasibility Study will evaluate all aspects of the Fish Lake Project, including geology, ore reserves, mining, metallurgy, processing, concentrate handling, tailings disposal, infrastructure, ancillary facilities and environmental requirements so that a detailed economic analysis for the Project can be completed. In most cases, the level of detail is to be of a feasibility study calibre with only minor portions to be at a prefeasibility level.

Kilborn Engineering Pacific Ltd. is an internationally recognized engineering company providing complete mining project services worldwide. The Kilborn Group is involved in major overseas and North American mine developments such as the Omai Project in Guyana, Barrick Goldstrike Project in Nevada, the Mina Ivan SX-EW Project in Chile and the Kubaka Projects in Russia. Recently, Kilborn successfully completed a detailed Prefeasibility Study of the Kemess South Gold-Copper Project. Of the engineering, procurement and construction management projects completed by Kilborn Engineering Pacific Ltd., cost and schedule analyses shows a less than 2 percent variance on cost and on completion time performance.

In addition, Taseko Mines Limited has awarded Independent Mine Consultants of Tucson, Arizona the contract to optimize an open-pit mine plan and production schedule to maximize the Fish Lake Project's rate of return. These detailed mine planning studies are expected to be completed by mid-November.

Common shares of Taseko Mines Limited trade in the United States on NASDAQ (TKOCF) and in Canada on the Vancouver Stock Exchange (TKO.V). Shareholders reside in Canada, United States and Europe. Taseko Mines has a current working capital position of CDN \$7.0 million and has 10,701,874 shares outstanding on a fully diluted basis.

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.

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**August 25, 1993**

### **GIANT FISH LAKE GOLD-COPPER DEPOSIT ENTERS MINE DEVELOPMENT PERMITTING PROCESS**

Mr. Robert G. Hunter, Chairman of Taseko Mines Limited (TKOCF, TKO.V) is pleased to announce that the Company has filed with the British Columbia Government the first of two project documents required for approval of a mine development at its Fish Lake Gold-Copper Project, near Williams Lake, British Columbia.

The document filed - A Pre-Application for a Mine Development Certificate - is a comprehensive review of technical, environmental and socio-economic aspects of the 66,000 tpd conventional open pit project. It provides government agencies with the data required to determine the Terms of Reference for the second project document - An Application for a Mine Development Certificate - which will include results from engineering and feasibility programs that are now underway.

Mineable reserves for the Fish Lake deposit total 960 million tons containing 12.0 million ounces gold and 4.4 billion pounds copper. The deposit is the largest bulk tonnage deposit ever discovered in British Columbia. It is larger and higher grade than the nearby Valley Copper deposit; the second largest throughput mine in the world which mills at a rate of 145,000 tpd, employs directly 1090 personnel and in 1992 generated \$372 million in revenues. The uniform distribution of gold and copper throughout the Fish Lake deposit makes it ideally suited for large scale, open pit mine development. Upon commercial production annual metal production is forecast to range up to 260,000 ounces of gold and 109 million pounds of copper during the mine's unusually long life of some 40 years. Engineering work indicates that with the economies of scale available at Fish Lake, the mine would be among North America's largest and lowest cost producers of gold and copper.

With the filing of the Pre-Application for a Mine Development Certificate, Taseko Mines Limited will accelerate its comprehensive Public Information Program for citizens of the region and the Province of British Columbia. Taseko began the public participation process on July 11, 1992 by inviting all residents of the Chilcotin and Williams Lake areas to an open-house and barbecue at the Fish Lake site. A wide majority of the 175 visitors to the open-house were in favour of the project. Further, the Company has discussed and reviewed the Project with First Nation representatives both on and off site. This week the Company has invited senior representatives of British Columbia's major environmental groups including the B.C. Wildlife Federation, B.C. Endangered Spaces World Wildlife Fund, East Kootenay Environmental Society, Canadian Parks & Wilderness Society, and Earthlife Canada to join Company representatives on site to discuss all aspects of the proposed mine.

Strong support has been received from the City of Williams Lake, the service and supply centre for the project. The Williams Lake City Council recently passed a resolution as follows; "Be it resolved that the City of Williams Lake supports the mining industry in British Columbia by requesting the Honourable Anne Edwards, Minister of Energy, Mines and Petroleum Resources, to consider using Fish Lake (Taseko Mines) as a model for a cooperative partnership between the Provincial Government and the mining industry by development of the Taseko Mine Permit Approval Process in accordance with the Williams Lake Economic Development Strategy."

The most significant environmental concern facing the Canadian mining industry today is acid rock drainage. At Fish Lake, extensive acid-base accounting tests and measurements completed to date indicate that the Fish Lake Project should not generate acid rock drainage. The Company is committed to undertake substantial further testing, during the mine certification process, of all waste materials that would be disturbed or produced by mining the Fish Lake deposit.

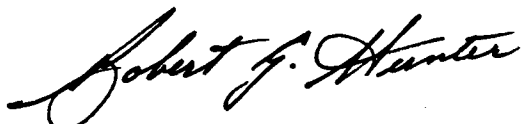
Alterations to the geography and topography of the mine development area would occur with development of a large open pit mine of the scale proposed. However, a Reclamation and Abandonment Plan to be developed with and approved by the provincial government before commencement of production will address the reclamation of the areas of development to the most natural state possible.

Due to depletion of reserves, all but three of British Columbia's open pit mines are forecast to close over the next several years. Development of the Fish Lake Project would increase British Columbia's declining copper production and dramatically expand gold production. It would create 700 to 800 jobs during the two-year construction phase, and about 400 permanent jobs during mine operations. The Fish Lake Project would provide new long-term jobs for skilled workers who might otherwise face unemployment and would generate significant and widespread economic benefits for the Cariboo-Chilcotin region. According to government, each permanent job at an operating mine indirectly supports one job in British Columbia and a second job in other regions of Canada. The project infrastructure would also benefit sustained resource development, and encourage integrated resource use in a region that now depends heavily on the forest industry.

The Company believes that the government of British Columbia is prepared to make a major "statement" to indicate its willingness to work with the mining industry and that the smooth permitting and development of the Fish Lake Project will be part of that "statement".

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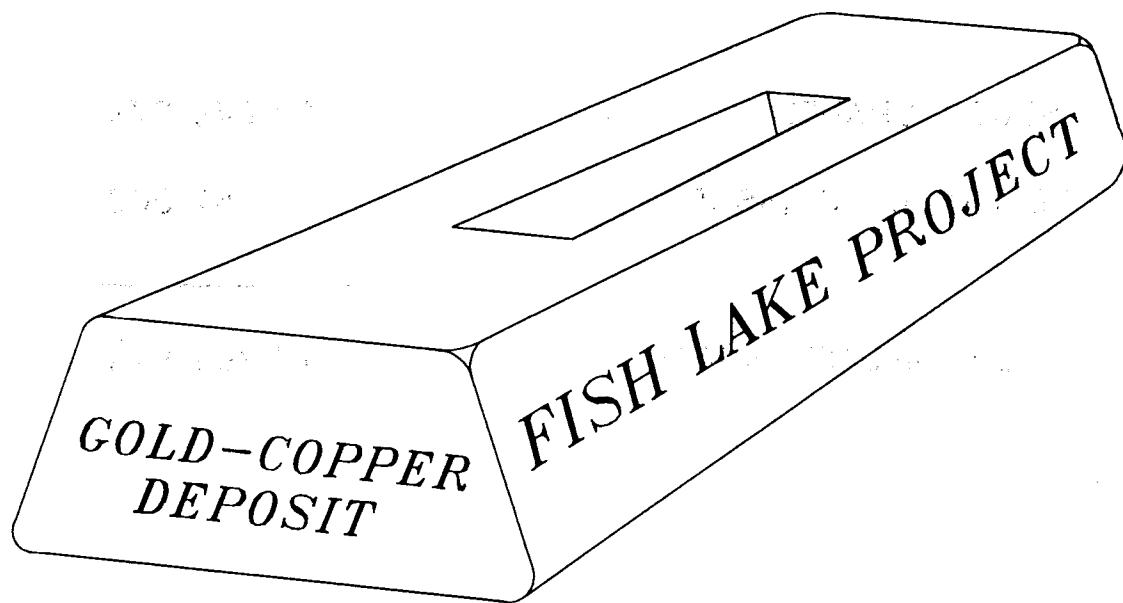
ON BEHALF OF THE BOARD



Robert G. Hunter  
Chairman

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

# **REBUILDING CANADA'S MINERAL RESERVES**



**TASEKO MINES LIMITED**

# SHARE STRUCTURE

JUNE, 1993

ISSUED SHARES	10,649,874
RESERVED TO ISSUE	52,000
	<hr/>
FULLY DILUTED SHARES	10,701,874

**TASEKO MINES LIMITED**  
**SHARE STRUCTURE**



# FISH LAKE GOLD - COPPER DEPOSIT

## MINE MODEL

MILLING RATE (tons/day)	66,000
MILLING RATE (tons/year)	23,800,000
MINE LIFE (years)	40
PROJECT CAPITAL COSTS (US\$)	390,000,000
OPERATING COSTS (US\$/ton)	\$3.00 - \$4.00
PROJECT PAYBACK (YEARS)	5

## PROJECTED ANNUAL OPERATIONS

		ANNUAL AVERAGE		
		YEARS 1-6	YEARS 1-25	YEARS 1-40
FEED GRADE	GOLD (oz/ton)	0.014	0.013	0.013
	COPPER (%)	0.23	0.23	0.23
RECOVERY	GOLD (%)	76	74	73
	COPPER (%)	88	88	88
PRODUCTION	GOLD oz (000)	253	229	226
	COPPER lbs (000)	96,342	96,342	96,342
CASH COST NET OF COPPER REVENUE	GOLD (US \$/oz)	26	77	135
	COPPER (US \$/lb)	0.12	0.33	0.49

\* Calculated @ US \$350/oz Au; US \$1.00/lb Cu; US \$0.78=\$1.00 CDN

**TASEKO MINES LIMITED**  
**MINE MODEL**

**CANADA'S TOP 10 GOLD MINES  
RANKED BY 1991 PRODUCTION**

<u>MINE NAME</u>	<u>PRODUCTION</u> (Ounces)
Williams	518,703
Golden Giant	443,400
David Bell	283,128
Campbell	260,521
Doyon	257,271
* <b>Fish Lake</b>	<b>229,000</b>
Lupin	216,877
Bousquet 2	175,844
Snip	153,402
Dome	144,526
Con	123,000

Source: Northern Miner, July 6, 1992.

**CANADA'S TOP 10 COPPER MINES  
RANKED BY 1991 PRODUCTION**

<u>MINE NAME</u>	<u>PRODUCTION</u> (Million lbs)
Highland Valley	378
Kidd Creek	256
Inco	243
Island Copper	141
* <b>Fish Lake</b>	<b>96</b>
Falconbridge	75
Ansil	71
Gibraltar	63
Gaspe Copper	55
Flin Flon	44
Selbaie	38

Source: Canadian Mining Journal, April, 1993.

\* Shows Fish Lake Deposit's ranking when in production at average grade.

**TASEKO MINES LIMITED  
CANADIAN MINE COMPARISON**

ALASKA

CASINO  
(DEVELOPMENT)

FARO  
(13,000)

NORTHWEST  
TERRITORIES

WHITEHORSE  
YUKON TERRITORY

HAINES SKAGWAY

WATSON LAKE

PACIFIC

BRITISH  
COLUMBIA

FORT NELSON

KEMESS  
(44,000)

MACKENZIE

DAWSON CREEK

BC MOLY  
(6,000)

MT. MILLIGAN  
(76,000)

BELL  
(16,500)

GRANISLE  
(12,000)

ALBERTA

PRINCE RUPERT

EQUITY  
(12,000)

ENDAKO  
(26,000)

PRINCE GEORGE

FISH LAKE  
DEPOSIT  
(66,000)

GIBRALTAR  
(38,000)

WILLIAMS LAKE

OCEAN

BELLA COOLA

ISLAND  
(55,000)

BETHLEHEM  
(15,400)

KAMLOOPS

VALLEY  
(145,000)

AFTON  
(9,350)

LORNE  
(85,000)

HIGHMONT  
(22,500)

BRENDA  
(33,000)

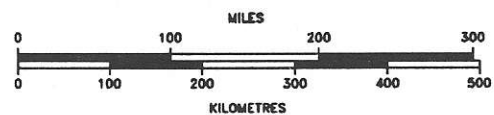
VANCOUVER

SIMILCO  
(23,500)

COPPER MTN.  
(5,000)

USA

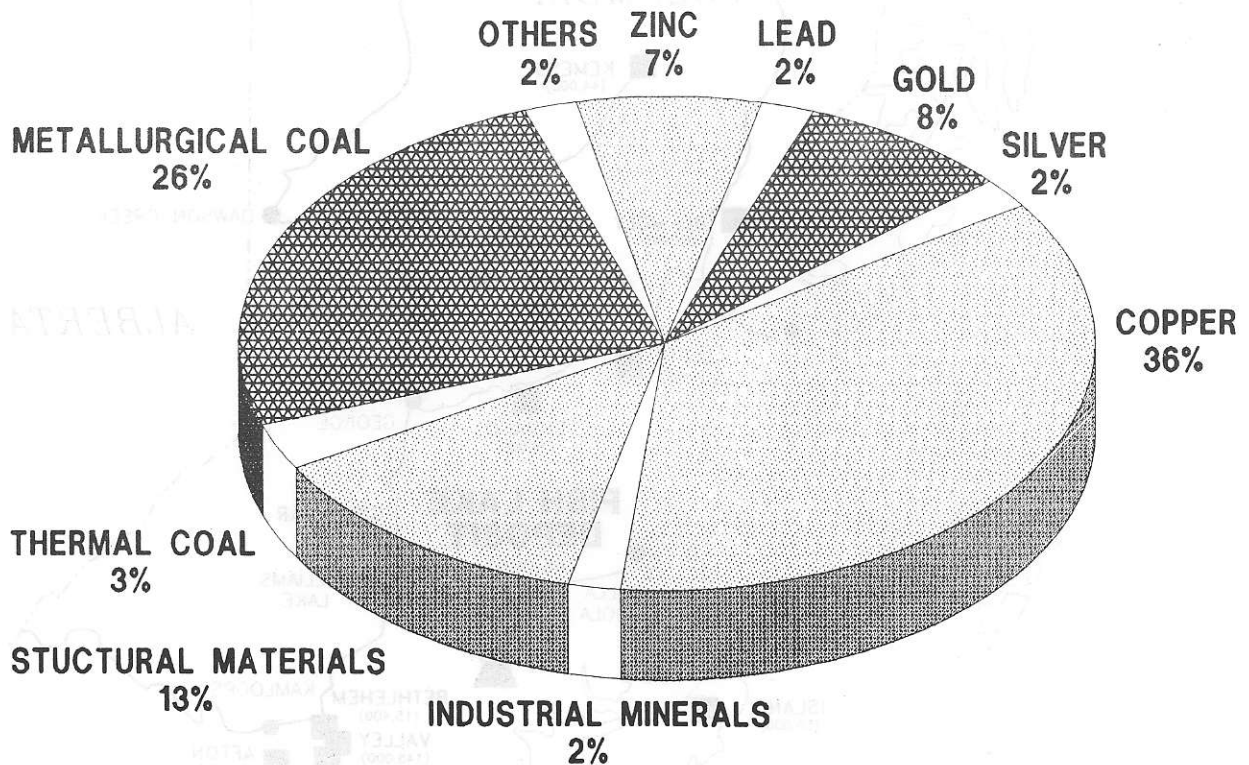
■ OPEN PIT MINES AND PROJECTS  
(TONS MILLED PER DAY)



**TASEKO MINES LIMITED**  
**BC/YUKON OPEN PIT MINES**

# B.C. MINERAL SALES BY COMMODITY 1992

## \$2.5 BILLION



**TASEKO MINES LIMITED**  
**B.C. MINERAL SALES**

# PRINCIPAL OPEN PIT MINES IN BRITISH COLUMBIA <sup>1</sup>

## RESERVES AT START-UP

Deposit  Name	Reserve	Grade			Contained Metal		
	Million tons	Cu%	Mo%	Au oz/ton	Billion lbs. Cu	Million lbs. Mo	Million oz. Au
Afton	35	1.03	-	0.017	0.7	-	0.6
Bell	128	0.48	-	0.010	1.2	-	1.3
Bethlehem	556	0.42	0.016	-	4.7	178	-
Brenda	175	0.18	0.049	-	0.6	172	-
B.C. Moly	116	-	0.120	-	-	278	-
Copper Mountain	157	0.57	-	0.005	1.8	-	0.8
Endako	256	-	0.081	-	-	414	-
Gibraltar	360	0.37	0.008	-	2.7	58	-
Granisle	94	0.43	-	0.004	0.8	-	0.3
Highmont	149	0.28	0.031	-	0.8	92	-
Island	280	0.52	0.017	0.006	2.9	95	1.7
Lornex	526	0.41	0.015	-	4.3	158	-
Similco	60	0.43	-	0.005	0.5	-	0.3
Valley	872	0.48	0.007	-	8.4	122	-
<b>MEDIAN</b>	<b>165</b>	<b>0.42</b>	<b>0.012</b>	<b>-</b>	<b>1.2</b>	<b>92</b>	<b>0.0</b>

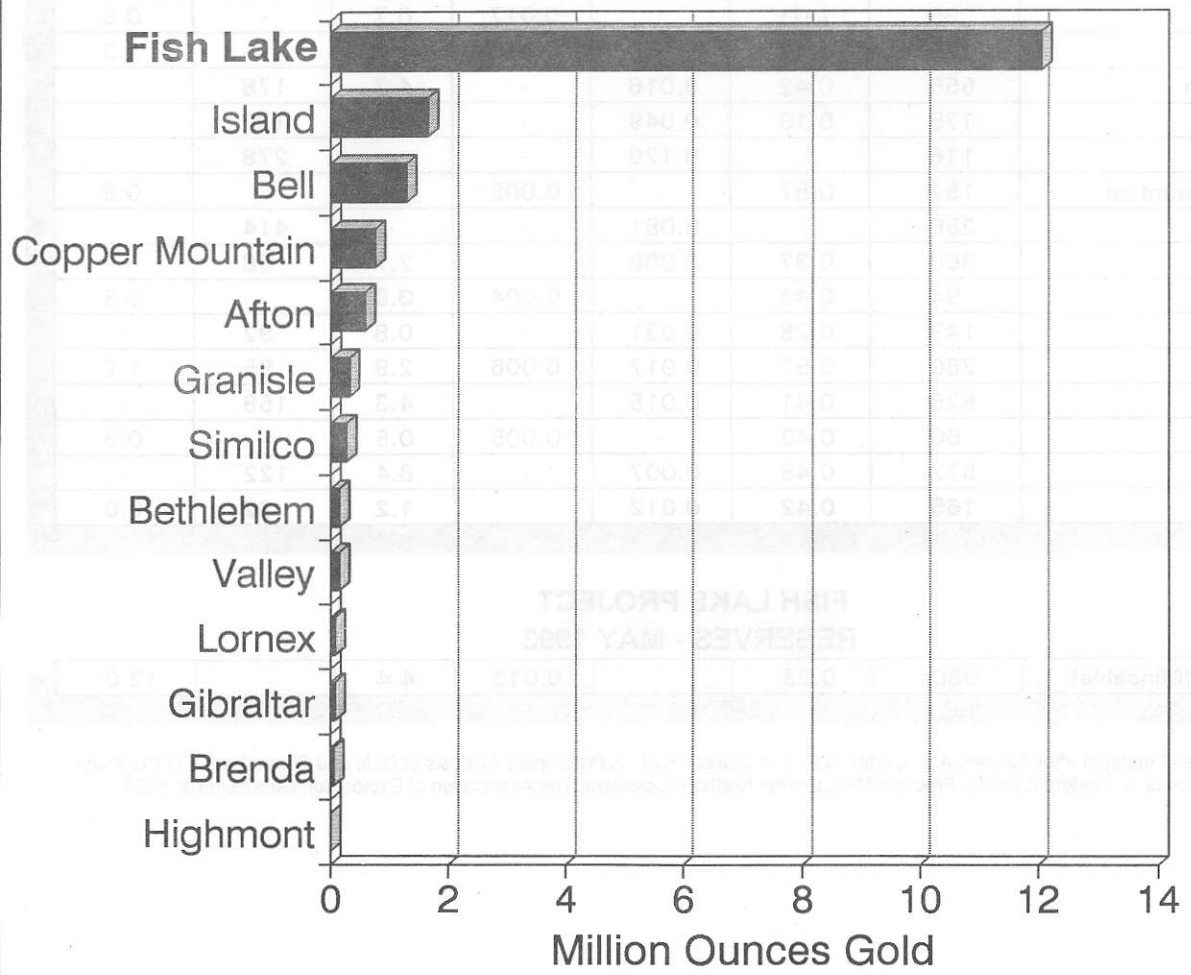
### FISH LAKE PROJECT RESERVES - MAY 1993

Fish Lake (Mineable)	960	0.23	-	0.013	4.4	-	12.0
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Note 1. Modified and updated after Sinclair, A.J.; Carter, N.C. and Dawson K.M.: A Preliminary Analysis of Gold and Silver Grades of Porphyry-Type Deposits in Western Canada; Precious Metals in the Northern Cordillera; The Association of Exploration Geochemists, 1982.

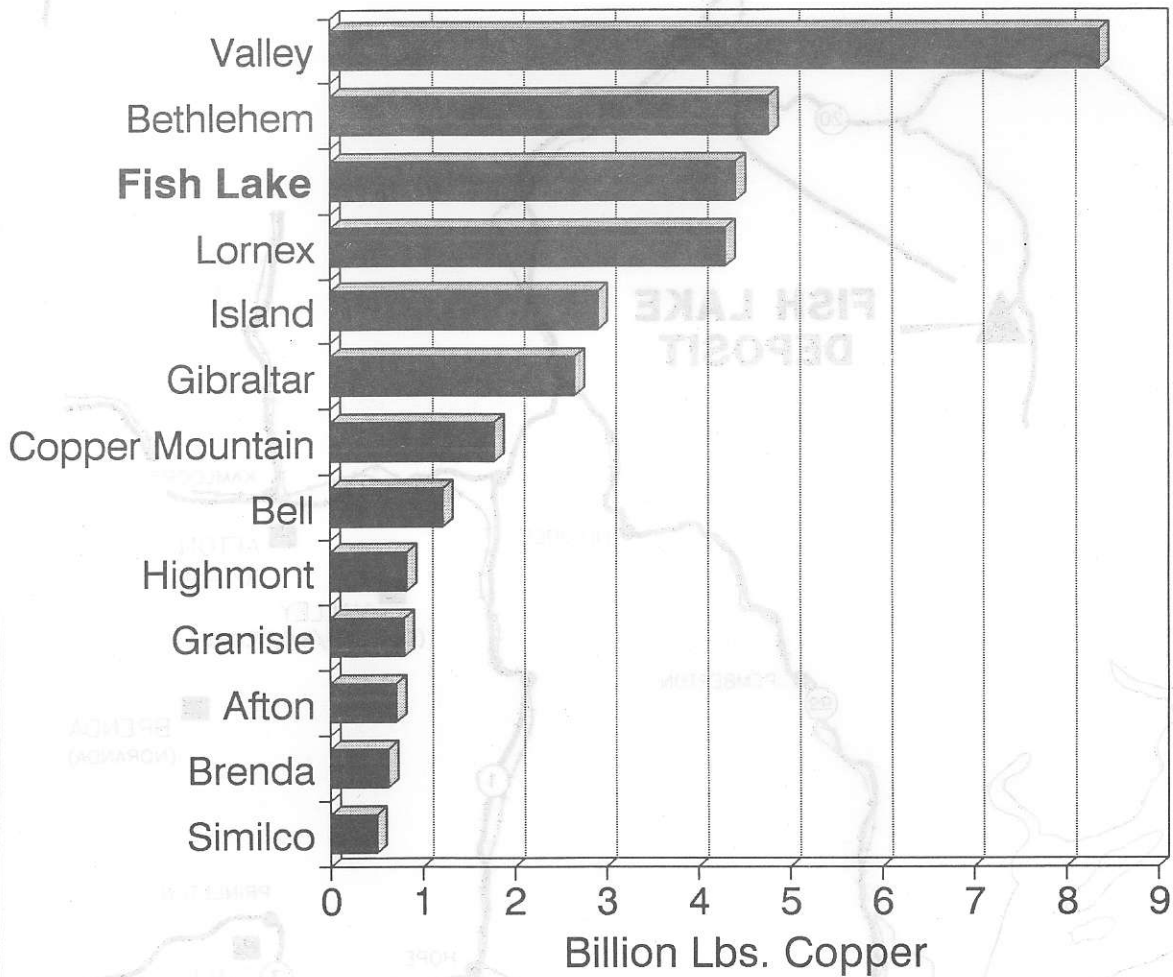
**TASEKO MINES LIMITED**  
**B.C. OPEN PIT MINES**

# PRINCIPAL BRITISH COLUMBIA OPEN PIT MINES RANKED BY CONTAINED GOLD

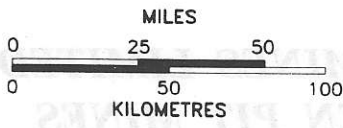
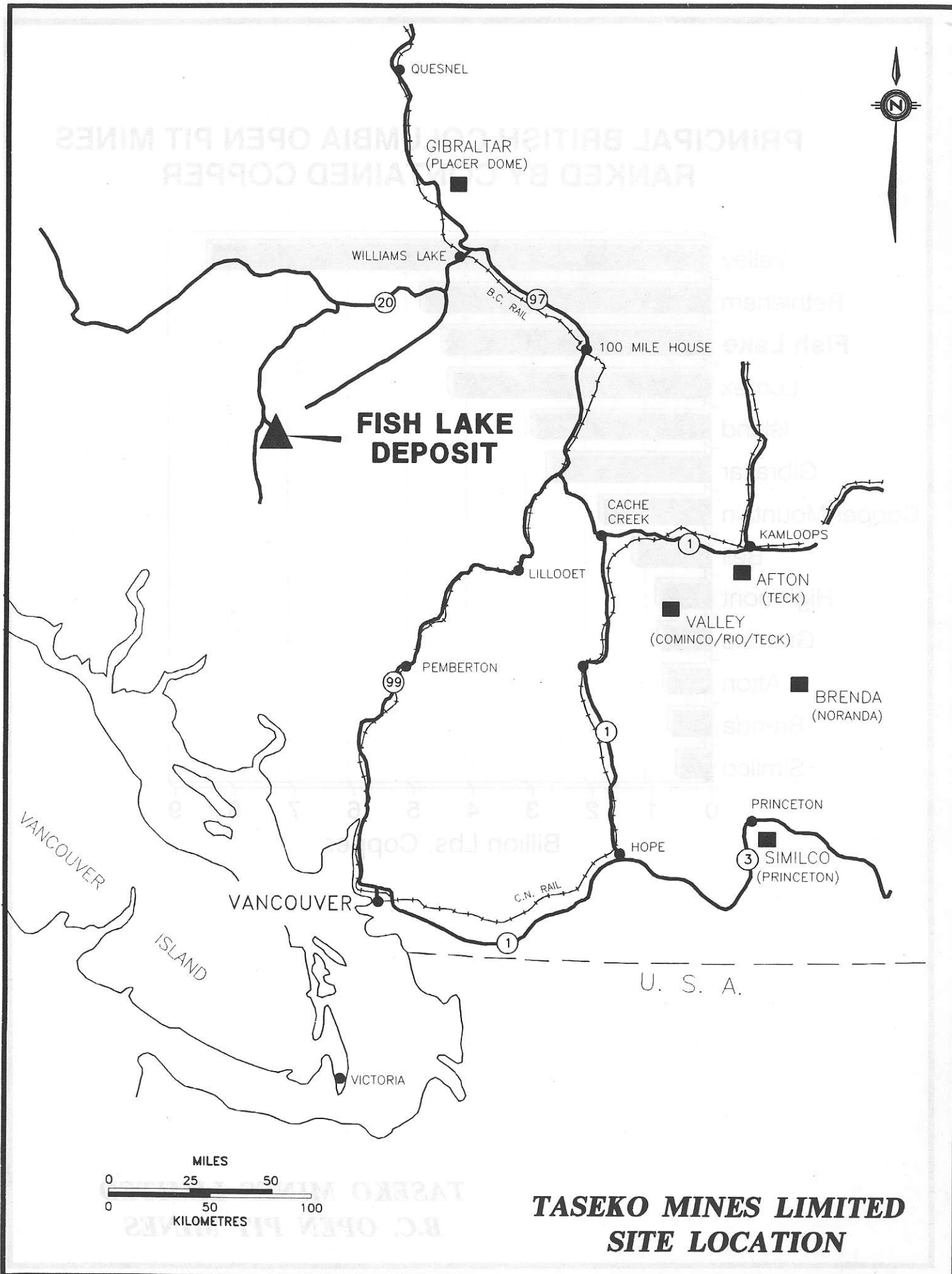


**TASEKO MINES LIMITED**  
**B.C. OPEN PIT MINES**

# PRINCIPAL BRITISH COLUMBIA OPEN PIT MINES RANKED BY CONTAINED COPPER









**TASEKO MINES LIMITED**  
**B.C. OPEN PIT MINES**

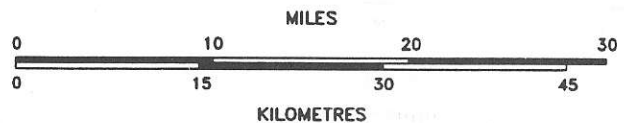
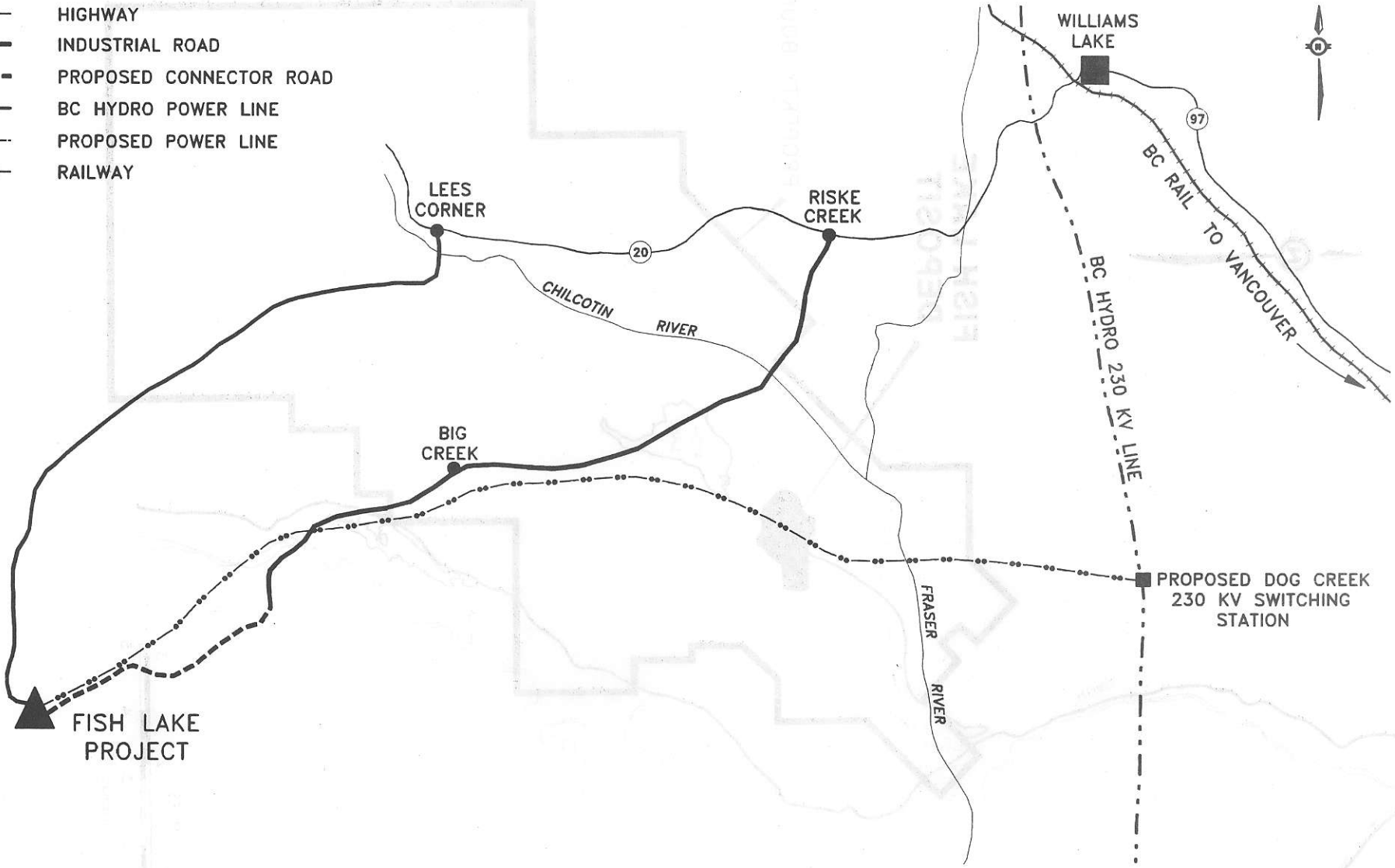


**TASEKO MINES LIMITED  
SITE LOCATION**

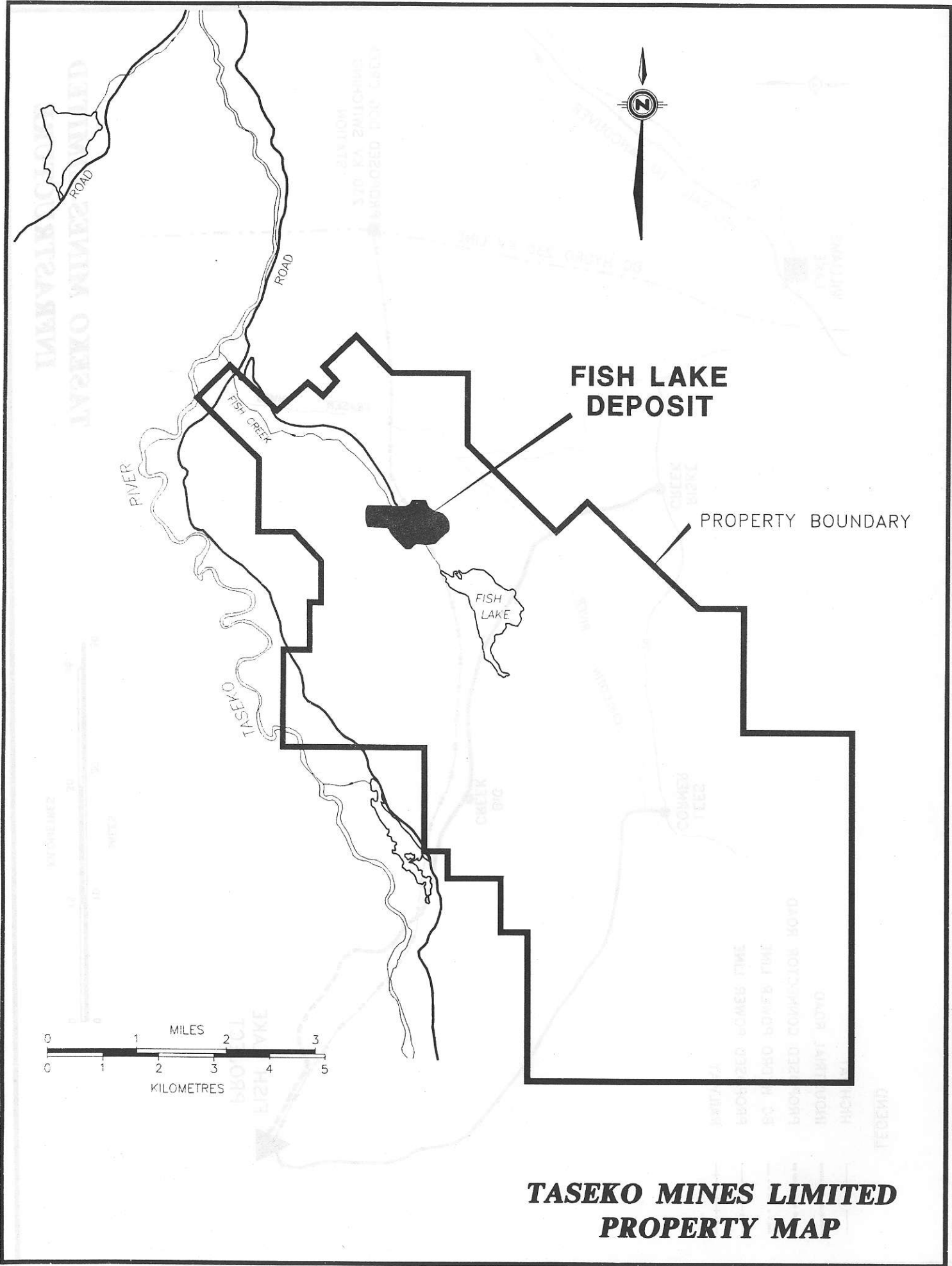


**LEGEND**

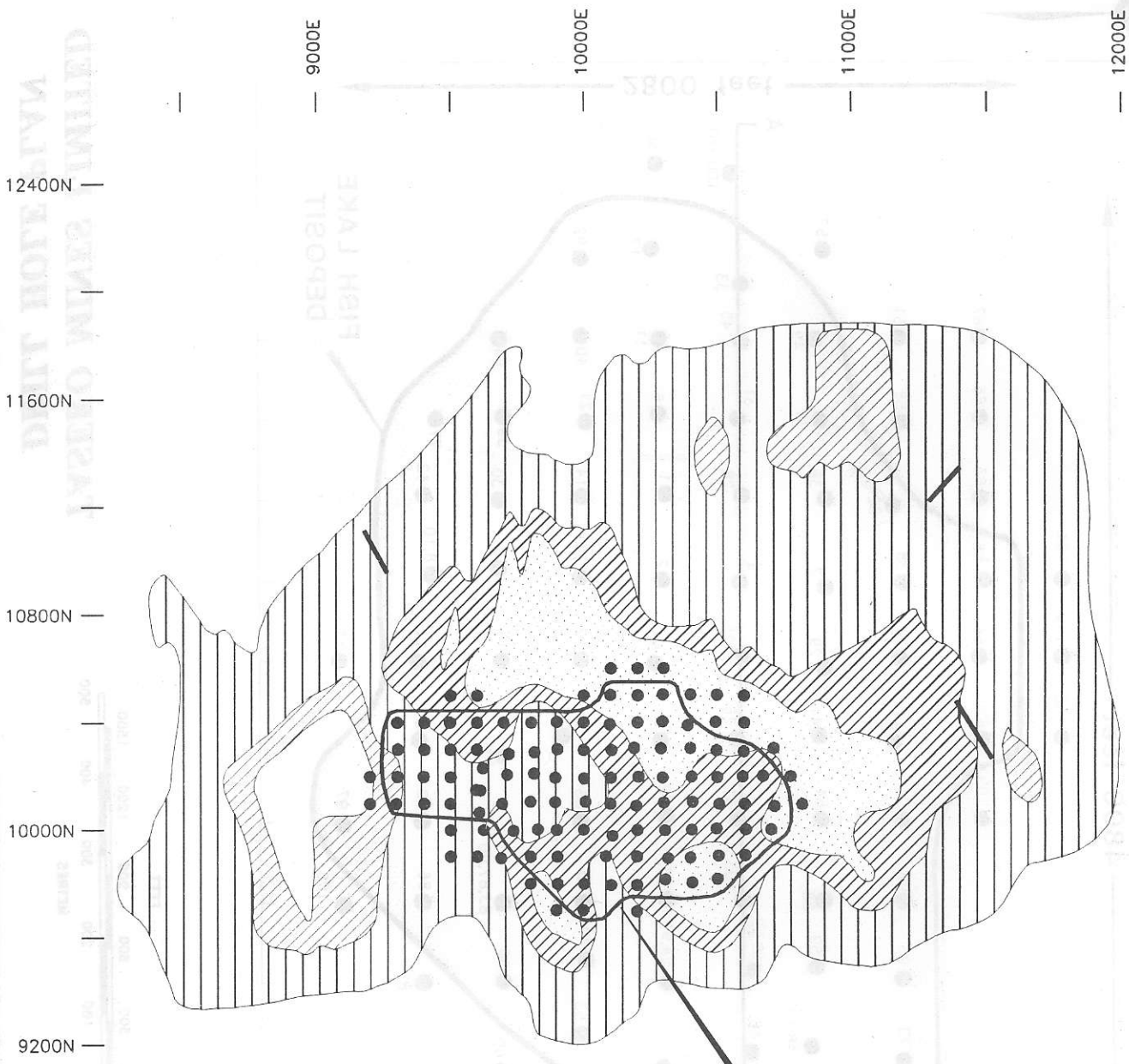
-  HIGHWAY
-  INDUSTRIAL ROAD
-  PROPOSED CONNECTOR ROAD
-  BC HYDRO POWER LINE
-  PROPOSED POWER LINE
-  RAILWAY



**TASEKO MINES LIMITED  
INFRASTRUCTURE**








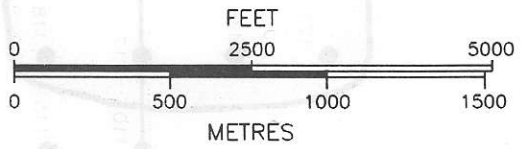
**TASEKO MINES LIMITED  
PROPERTY MAP**



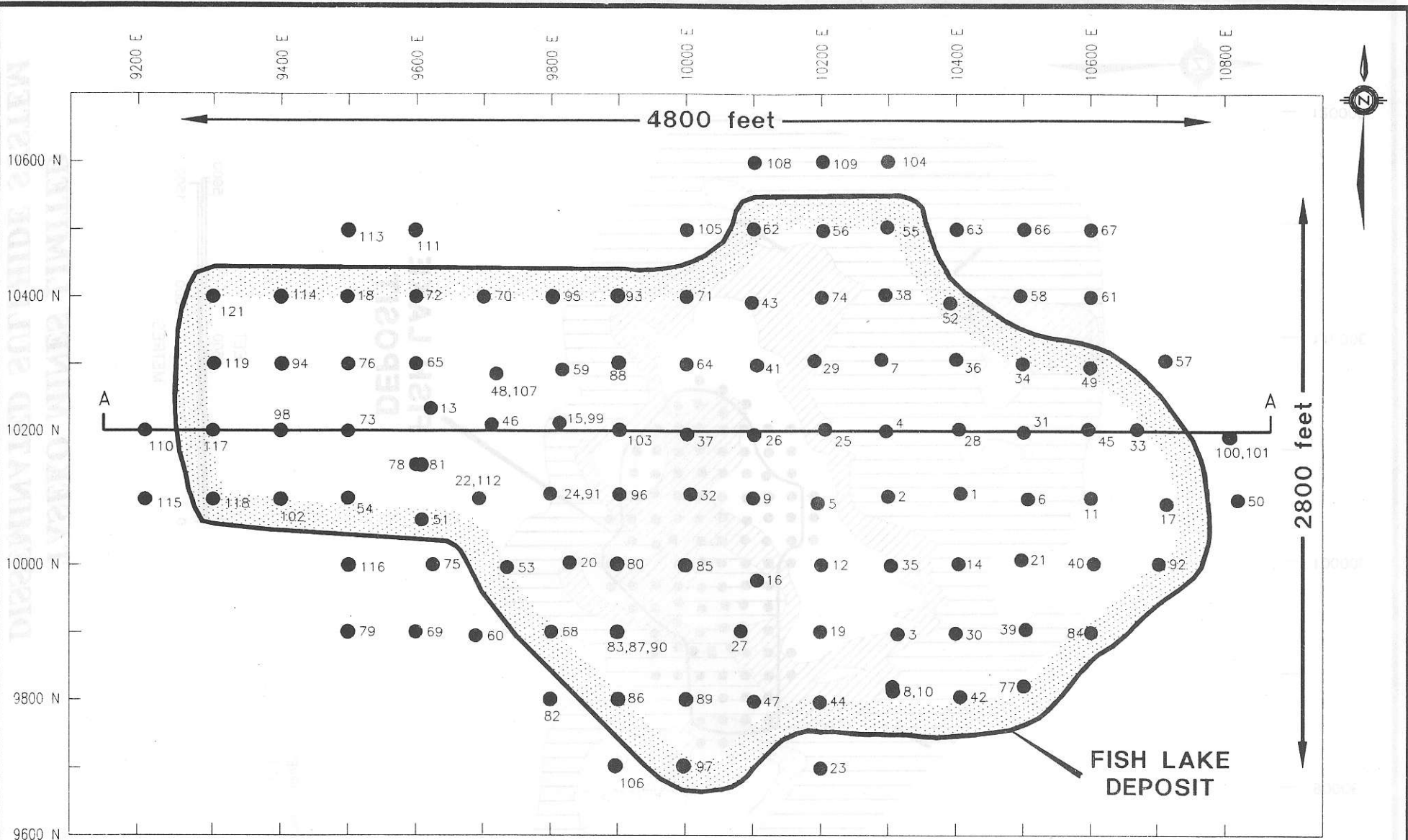
**LEGEND**

INDUCED POLARIZATION SURVEY  
DISSEMINATED SULPHIDE CONTENT

-  HIGH
-  MEDIUM
-  LOW
-  GOLD VEIN
-  DRILL HOLE LOCATION

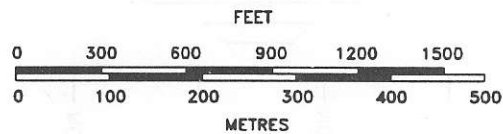


**TASEKO MINES LIMITED  
DISSEMINATED SULPHIDE SYSTEM**

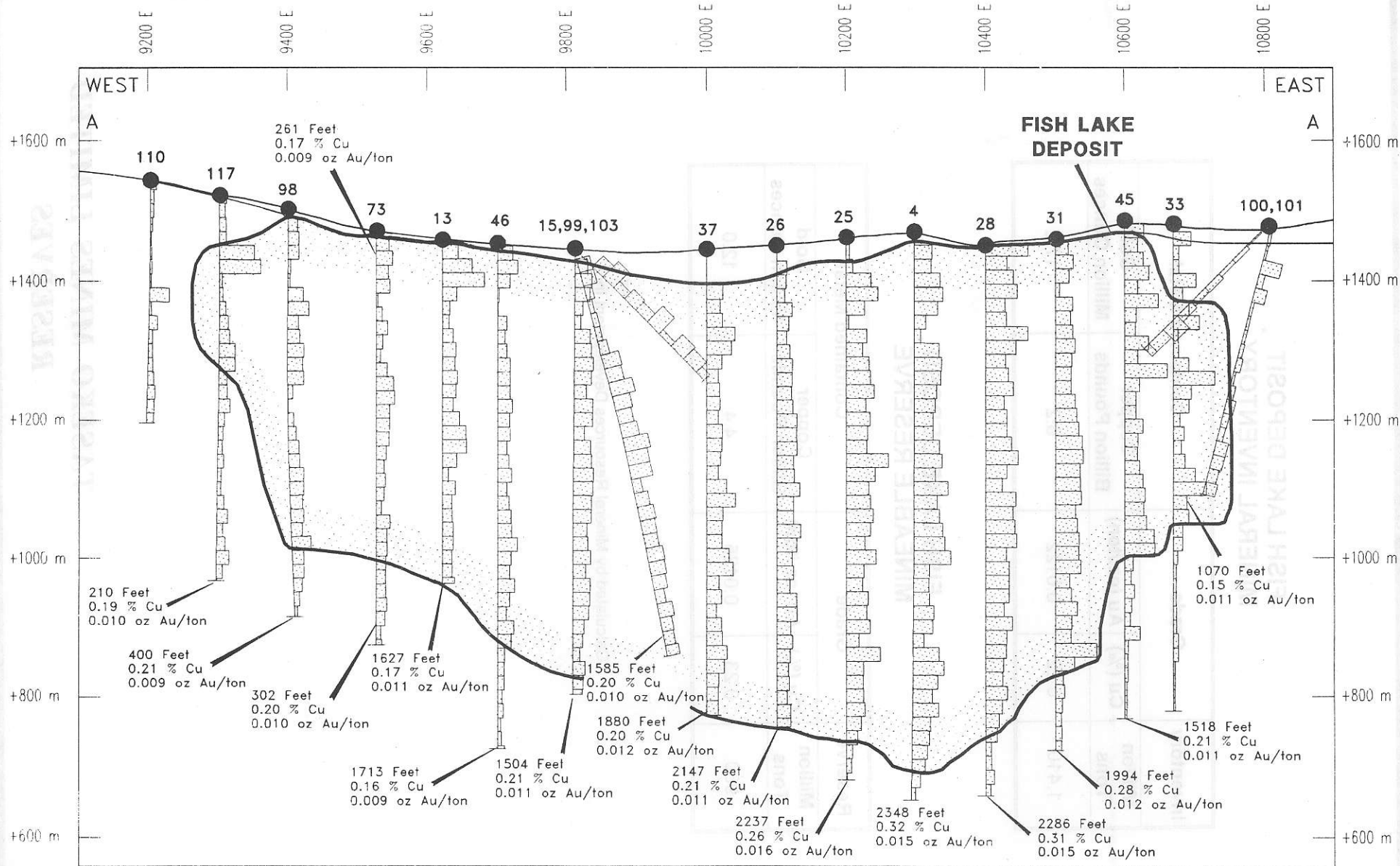


DRILLHOLE LEGEND

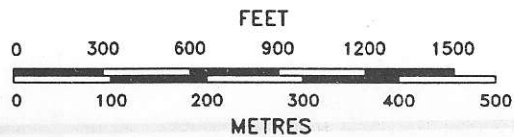
- DRILL HOLE
- DEPOSIT



**TASEKO MINES LIMITED  
DRILL HOLE PLAN**



DEPOSIT OUTLINE



**TASEKO MINES LIMITED**  
**COMPOSITE ASSAY SECTION**

**FISH LAKE DEPOSIT \*  
MINERAL INVENTORY**

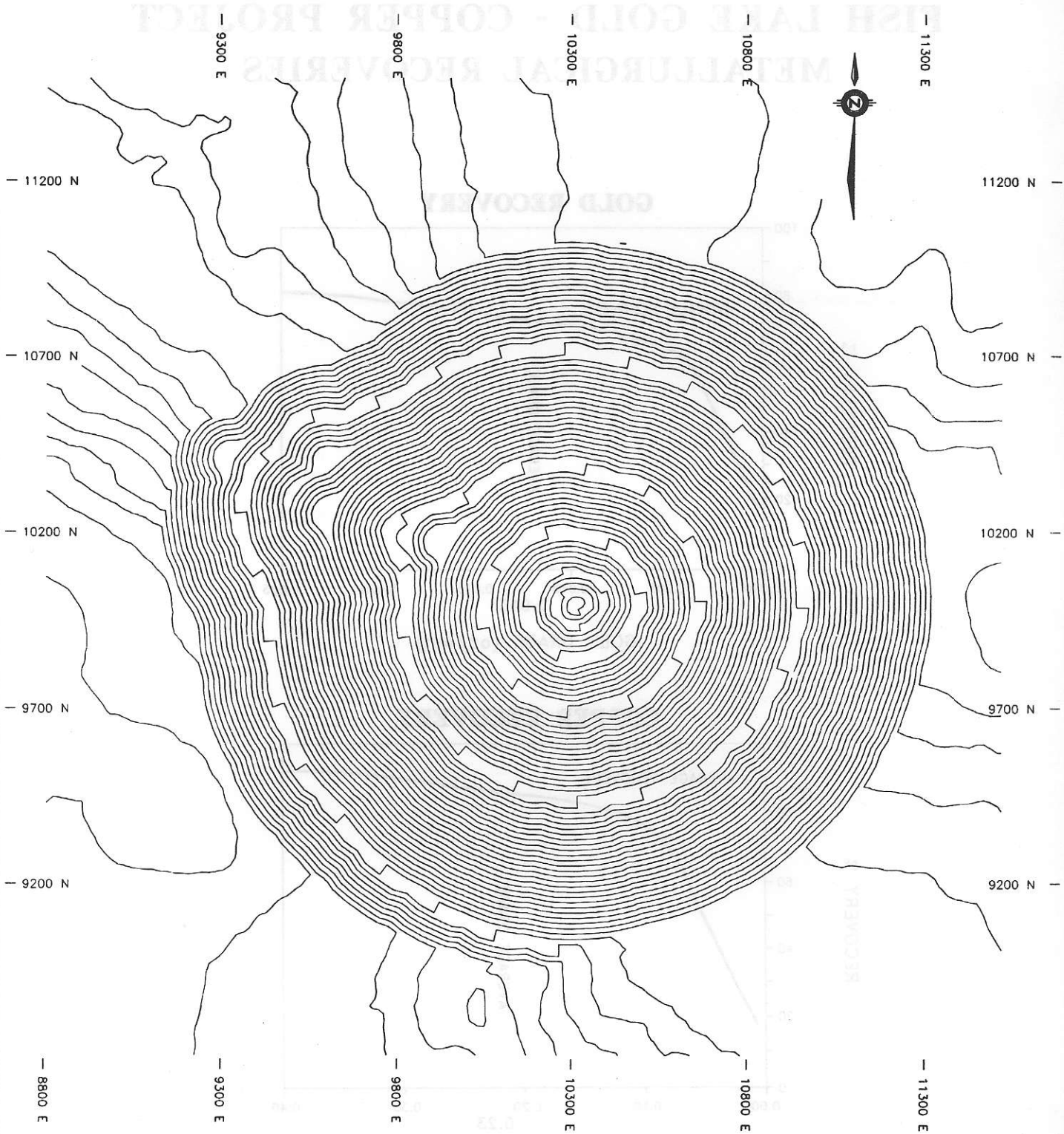
Inventory	Grade		Contained Metal	
	Million Tons	Cu (%)	Au (oz./ton)	Copper Billion Pounds
1,410	0.22	0.0122	6.2	17.2

**FISH LAKE DEPOSIT \*  
MINEABLE RESERVE**

Reserve	Grade		Contained Metal	
	Million Tons	Cu (%)	Au (oz./ton)	Copper Billion Pounds
960	0.23	0.0125	4.4	12.0

\* Calculated by Mineral Resources Development Inc.

**TASEKO MINES LIMITED  
RESERVES**



960,000,000 TONS MINEABLE

0.23 % Cu

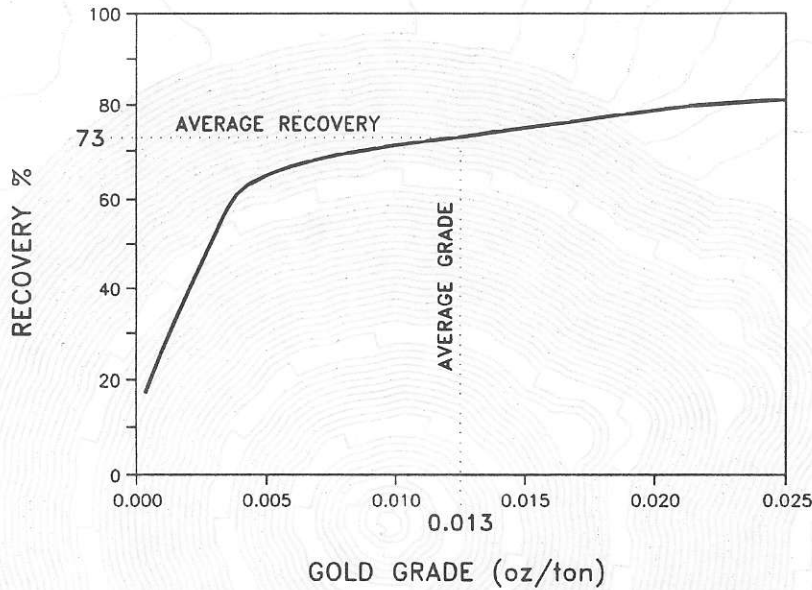
0.013 oz/TON Au

1.96 : 1 STRIP RATIO

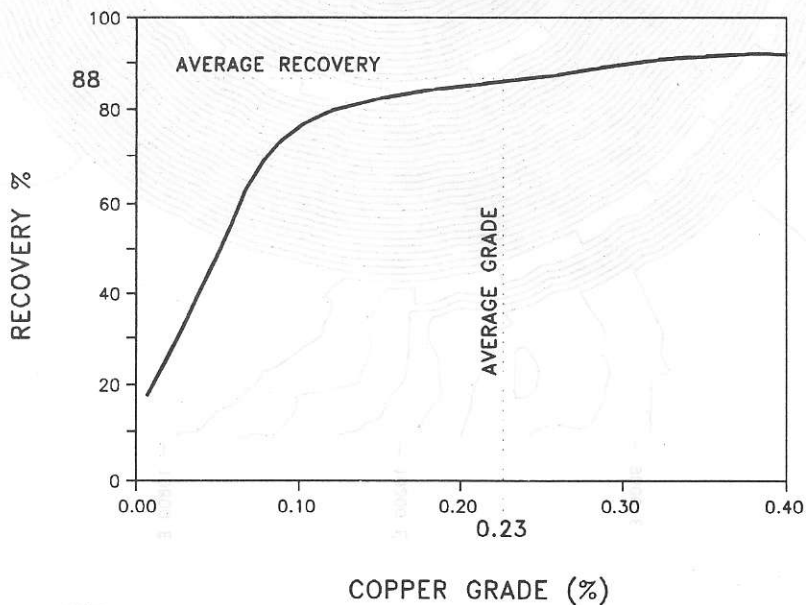
**TASEKO MINES LIMITED**  
**ULTIMATE PIT**

# FISH LAKE GOLD - COPPER PROJECT METALLURGICAL RECOVERIES

## GOLD RECOVERY



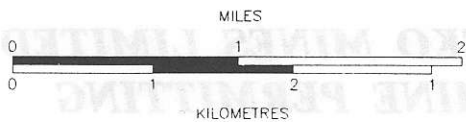
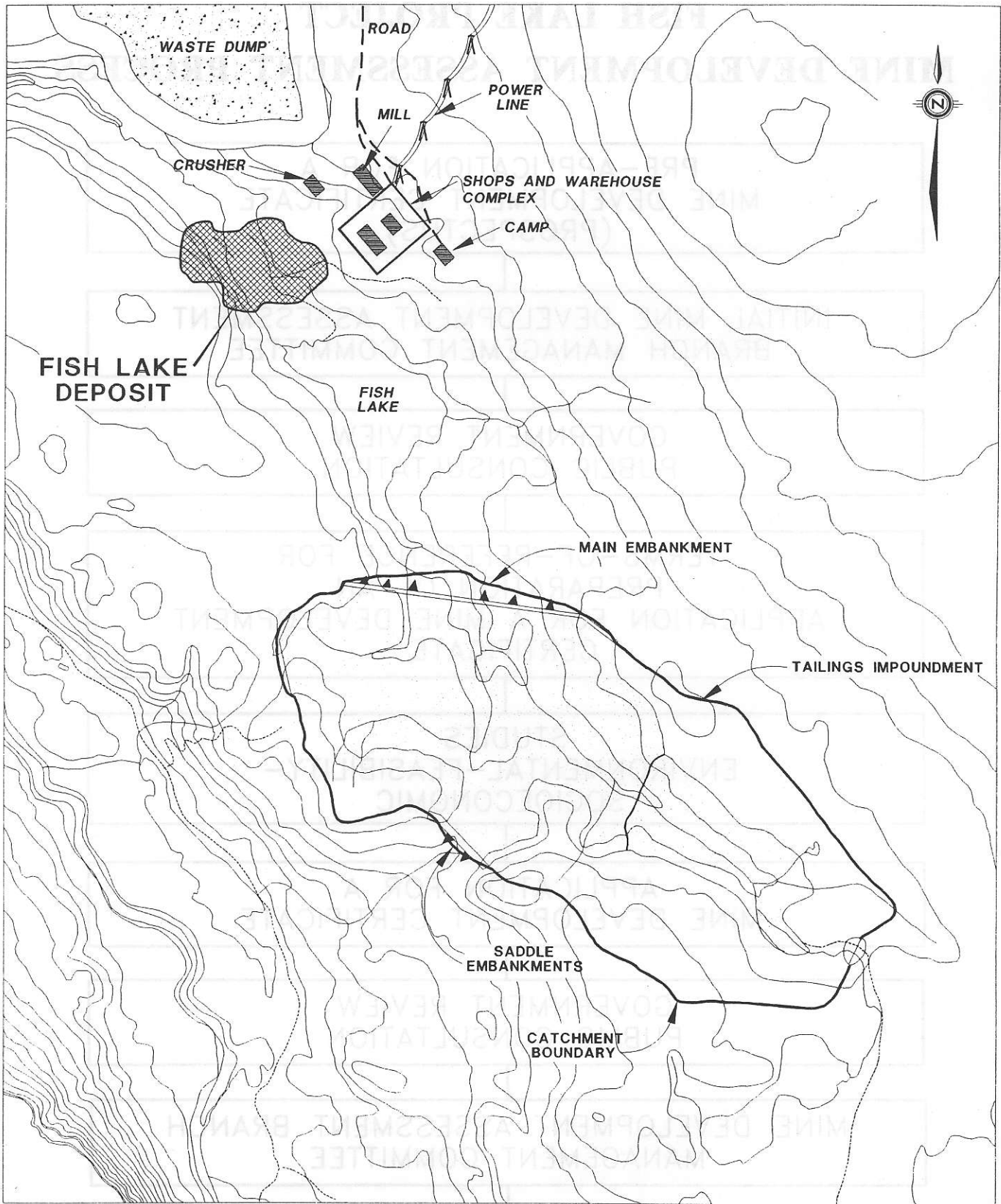
## COPPER RECOVERY



AVERAGE CONCENTRATE GRADE 25.6 % COPPER

**TASEKO MINES LIMITED**  
**METALLURGY**

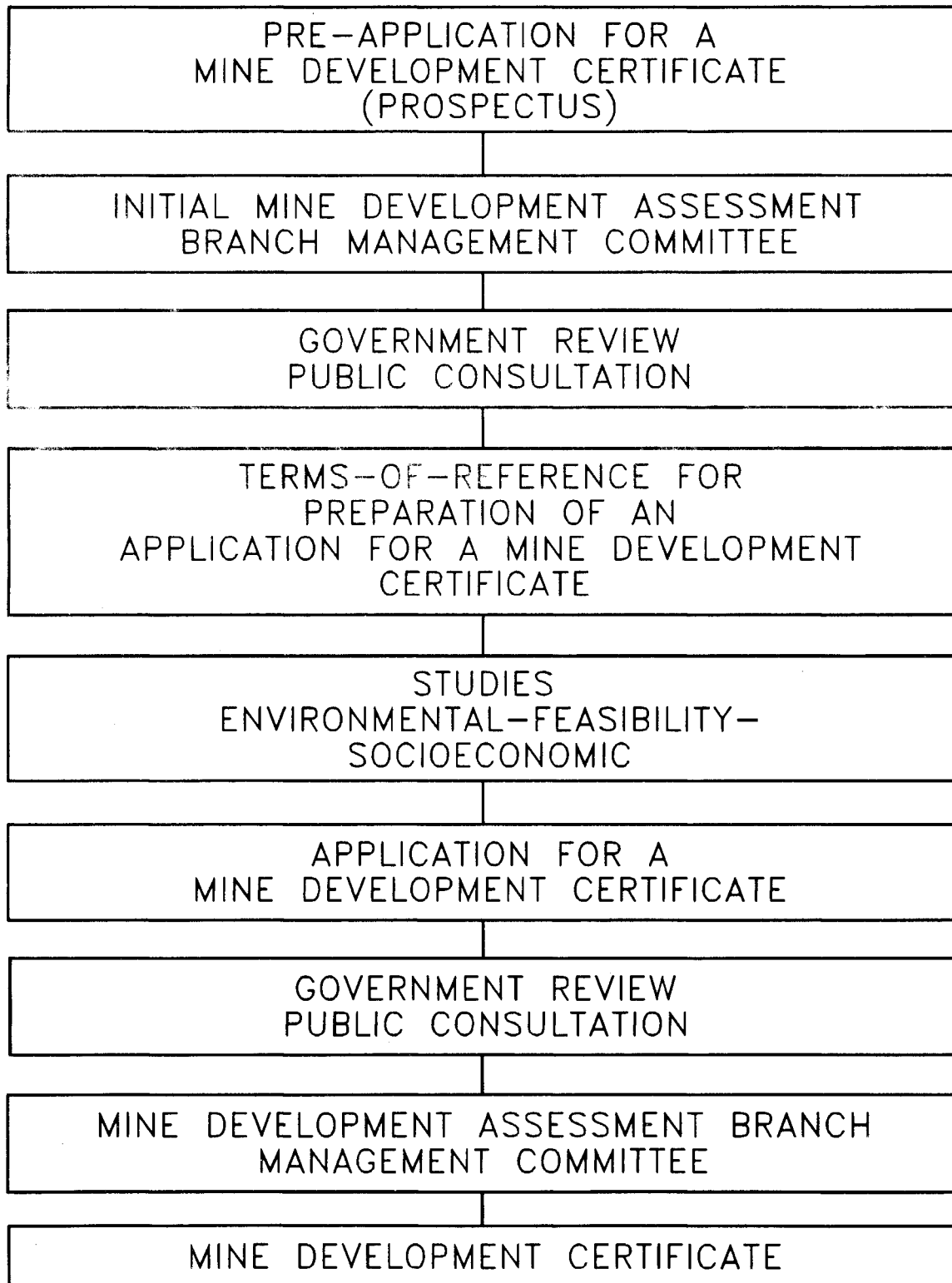




**TASEKO MINES LIMITED**  
**SITE LAYOUT**

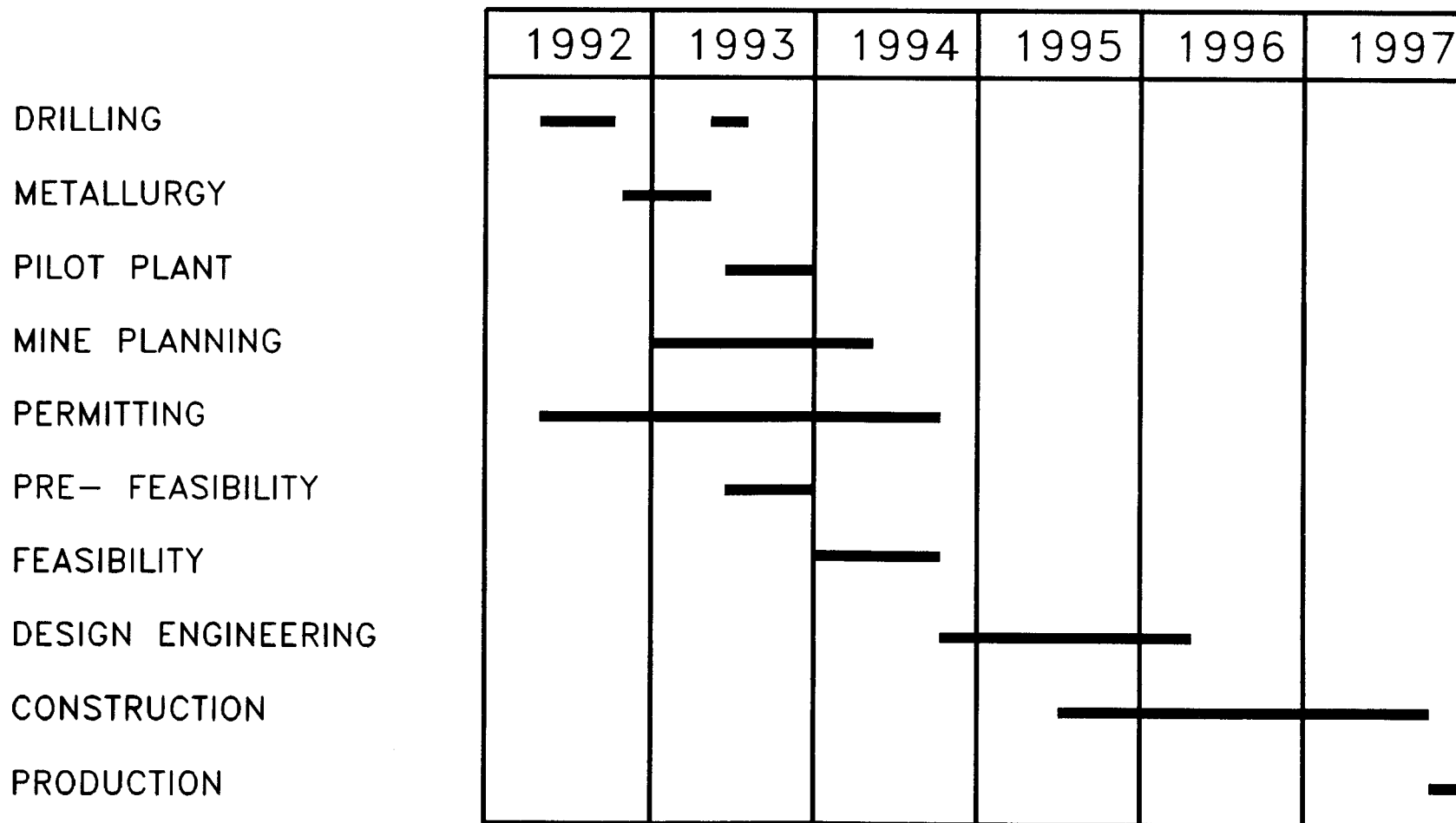
# FISH LAKE PROJECT

## MINE DEVELOPMENT ASSESSMENT PROCESS



**TASEKO MINES LIMITED**  
**MINE PERMITTING**

# FISH LAKE PROJECT



**TASEKO MINES LIMITED  
DEVELOPMENT SCHEDULE**

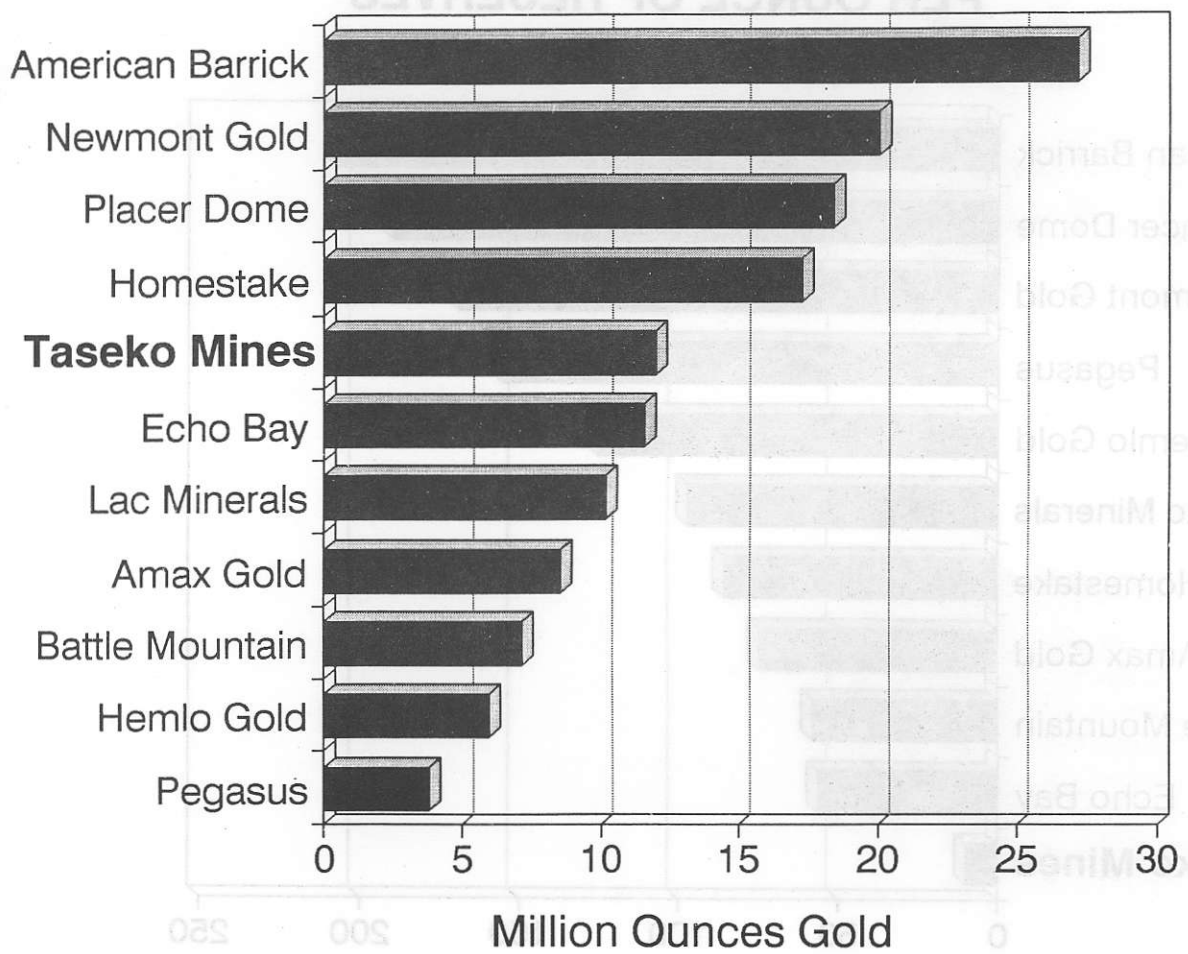
**NORTH AMERICAN GOLD PRODUCERS  
COMPARATIVE DATA <sup>1</sup>  
DECEMBER 31, 1992**

COMPANY	SHARES	PRICE	MARKET	RESERVES	RESERVES	MKT. CAP./	Oz. GOLD	MKT. CAP./	CASH
NAME	MILLIONS	\$US	MILLION	MILLION	Oz.	Oz. RESERVE	PRODUCED	Oz. PRODUCED	COST/Oz.
			\$US	Oz.		\$US	THOUSAND	\$US	\$US
Amax Gold	74	9	645	9	0.12	75	254	2,539	223
American Barrick	144	39	5,652	27	0.19	208	1,325	4,266	210
Battle Mountain	80	5	419	7	0.09	58	451	930	211
Cambior	34	12	408	4	0.12	100	354	1,154	302
Echo Bay	105	6	658	12	0.11	57	764	861	256
FMC Gold	74	5	331	2	0.03	144	442	748	180
Hemlo Gold	97	8	756	6	0.06	126	479	1,578	140
Homestake	135	11	1,487	17	0.13	86	1,845	806	248
Lac Minerals	147	7	994	10	0.07	97	1,135	875	213
Newmont Gold	105	32	3,396	20	0.19	169	1,610	2,109	155
Pegasus	32	19	591	4	0.12	155	382	1,546	214
Placer Dome	237	15	3,497	18	0.08	190	1,953	1,791	183
TVX Gold	134	2	264	6	0.04	45	406	650	179
<b>AVERAGE</b>	<b>107</b>	<b>13</b>	<b>1,401</b>	<b>11</b>	<b>0.10</b>	<b>128</b>	<b>877</b>	<b>1,598</b>	<b>214</b>
<b>Taseko</b>	<b>11</b>	<b>11</b>	<b>117</b>	<b>12</b>	<b>1.12</b>	<b>10</b>	<b>229</b>	<b>511</b>	<b>77</b>

NOTE 1. Comparative data is approximate at December 31, 1992 and is constantly changing. This data should be considered only as an indication of relative corporate statistical ranking.

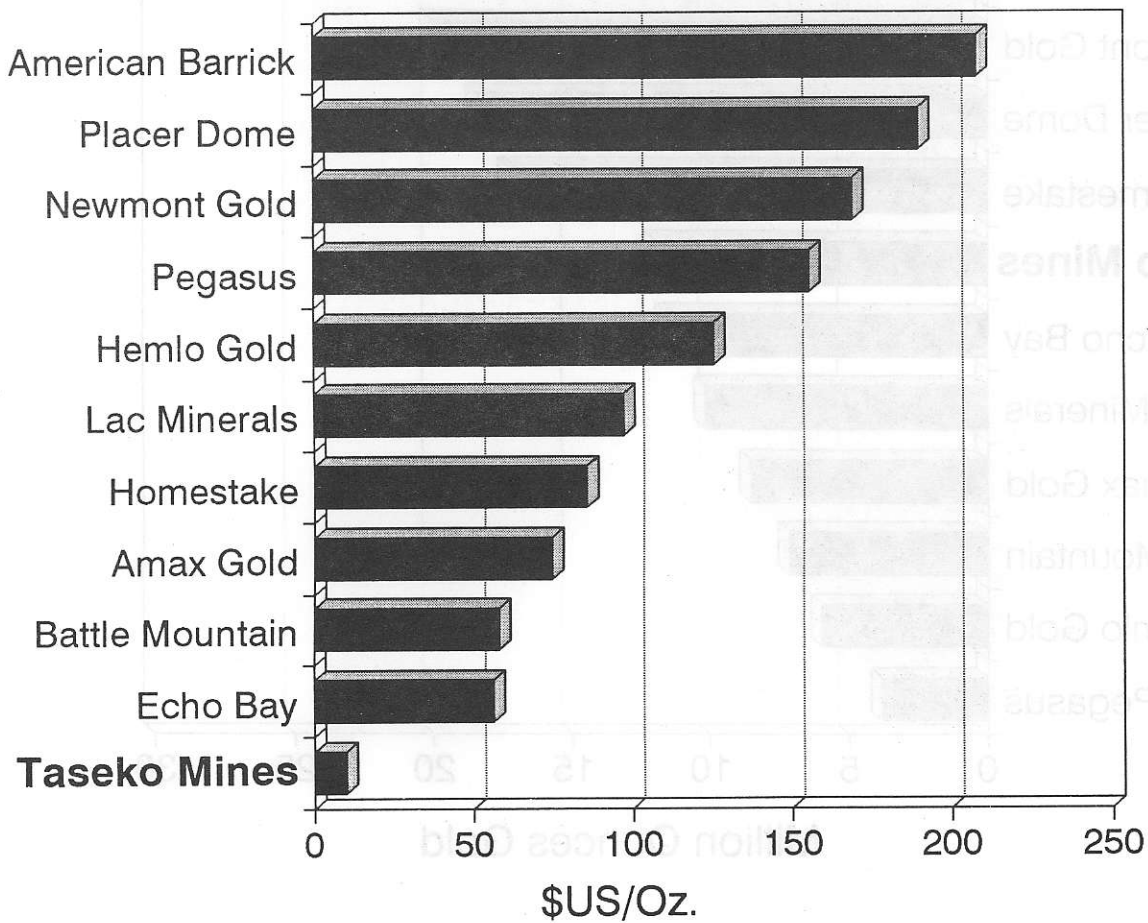
**TASEKO MINES LIMITED  
GOLD COMPANY COMPARISON**

# LEADING NORTH AMERICAN GOLD COMPANIES RANKED BY 1992 GOLD RESERVES



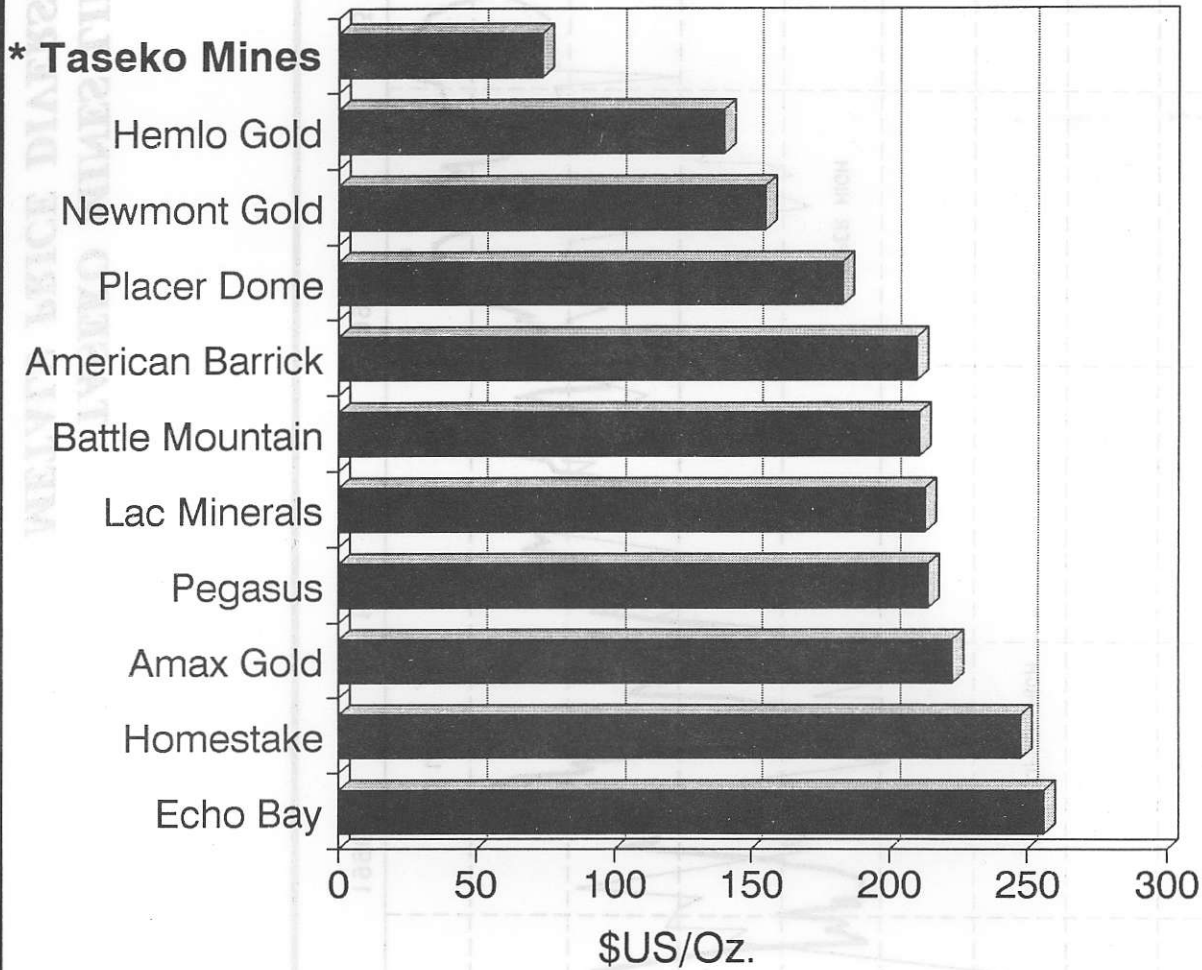
**TASEKO MINES LIMITED**  
**GOLD COMPANY COMPARISON**

# LEADING NORTH AMERICAN GOLD COMPANIES ESTIMATED 1992 MARKET CAPITALIZATION PER OUNCE OF RESERVES



**TASEKO MINES LIMITED**  
**GOLD COMPANY COMPARISON**

## LEADING NORTH AMERICAN GOLD COMPANIES ESTIMATED 1992 CASH COST PER OUNCE

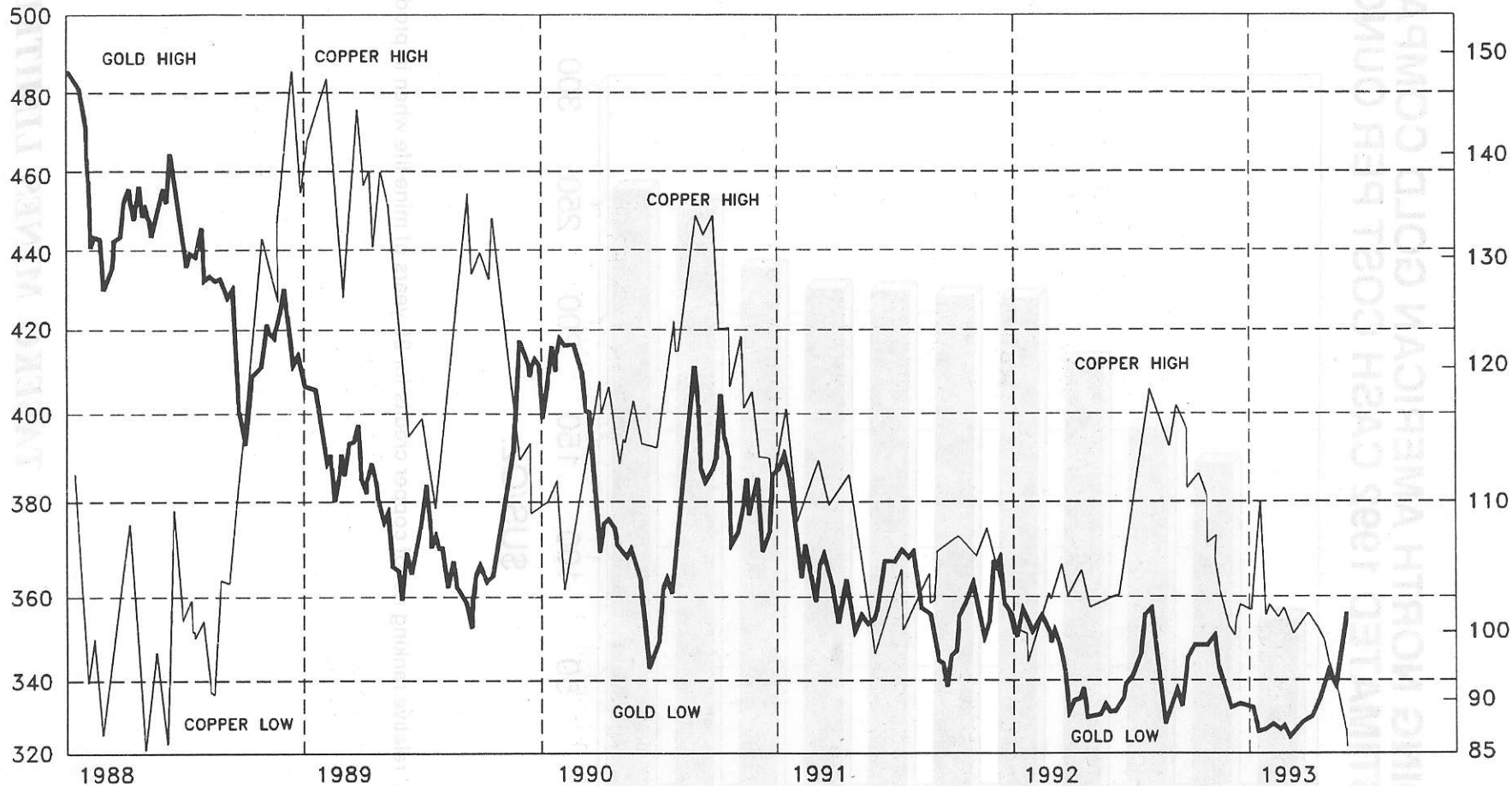


\*Shows Taseko Mines' relative ranking net of copper credits for 25 years of mine life when in production.

**TASEKO MINES LIMITED  
GOLD COMPANY COMPARISON**

**GOLD - US DOLLARS / OUNCE**

**LME - COPPER US CENTS / POUND**



— GOLD PRICE  
— COPPER PRICE

**TASEKO MINES LIMITED**  
**METALS PRICE DIVERSIFICATION**



## OFFICERS

Robert G. Hunter, Chairman  
Robert A. Dickinson, President  
Douglas B. Forster, Vice President,  
Secretary

## DIRECTORS

Scott D. Cousens  
Robert A. Dickinson  
Douglas B. Forster  
Robert G. Hunter  
Aziz Shariff

## CORPORATE ADDRESS

1020 - 800 West Pender Street  
Vancouver, British Columbia  
Canada V6C 2V6

## ATTORNEYS

Lang Michener  
Barristers & Solicitors  
2500 - 595 Burrard Street  
Vancouver, British Columbia  
Canada V7X 1L1

## AUDITORS

DeVisser & Company  
Chartered Accountants  
201 - 960 Richards Street  
Vancouver, British Columbia  
Canada V6B 3C1

## TRANSFER AGENT

Montreal Trust Company  
4th Floor, 510 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3B9

## BANK

Canadian Imperial Bank of Commerce  
400 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3A6

## TRADES

NASDAQ (TKOCF)  
Vancouver Stock Exchange (TKO.V)

## CAPITALIZATION

Common authorized	25,000,000
Issued	10,649,874
Fully Diluted	10,701,874

## FOR FURTHER INFORMATION CONTACT:

Scott D. Cousens, Director of  
Corporate Communications  
1020 - 800 West Pender Street  
Vancouver, British Columbia  
Canada V6C 2V6

Telephone: (604) 684-6365  
Facsimile: (604) 684-8092  
Toll Free: 1-800 667-2114

**TASEKO MINES LIMITED**  
**CORPORATE INFORMATION**

**Taseko Mines Limited**

1020 • 800 W Pender St  
 Vancouver BC  
 Canada V6C 2V6  
 Tel 604 684 • 6365  
 Fax 604 684 • 8092  
 Toll Free 1 800 667 • 2114

**May 3, 1993**

**QUALITY - LONG LIFE - LOW COST DEPOSIT CONFIRMED**

Robert G. Hunter, Chairman of Taseko Mines Limited (TKOCF, TKO.V) is pleased to announce that Mineral Resources Development Inc. (MRDI) of San Mateo, California has completed initial mine plan studies for the Fish Lake copper-gold deposit, near Williams Lake, British Columbia. MRDI has concluded that the Fish Lake Project is economically viable and recommends that the Project proceed forthwith to detailed prefeasibility planning.

MRDI has calculated a geological resource for the Fish Lake deposit of 1.41 billion tons containing 6.2 billion pounds of copper and 17.2 million ounces of gold which makes it one of the largest deposits of its type in the world.

GEOLOGICAL RESOURCE FISH LAKE PROJECT				
Tons	Grade		Contained Metal	
Millions	Cu %	Au oz/t	Cu Billion Lbs	Au Million ozs
1,410	0.22	0.0122	6.2	17.2

Within this overall deposit resource, MRDI has calculated a Base Case mineable reserve. The Base Case mineable reserve is 960 million tons at a grade of 0.23% copper and 0.0125 ounces of gold per ton with a life of mine waste to ore ratio of 1.96:1. The Base Case mineable reserve contains 4.4 billion pounds of copper and 12.0 million ounces of gold. At a milling rate of 66,000 tons per day the mineable reserve provides for a mine life of 40 years.

DILUTED MINEABLE RESERVE FISH LAKE DEPOSIT				
Tons	Grade		Contained Metal	
Millions	Cu %	Au oz/t	Copper Billion Lbs	Gold Million ozs
960	0.23	0.0125	4.4	12.0

Fish Lake is the largest bulk tonnage deposit ever discovered in British Columbia; even larger than the Valley Copper deposit, the second largest throughput mine in the world, and approximately three times larger than the Mt. Milligan deposit. Average annual metal production is forecast at 96 million pounds of copper and 229,000 ounces of gold. Based on operating costs developed by MRDI and other consultants the cash cost to produce one ounce of gold net of copper revenue is expected to vary from a low \$5.01 per ounce in the early years of production, to a 20 year average cost per ounce of \$74.04, to a 40 year life of mine average of \$147 per ounce. These production costs will make Fish Lake one of North America's lowest cost gold producers.

Initial plans are to develop the Base Case mine to recover 66,000 tons per day of ore using conventional open pit, truck/shovel technology. The open pit will be circular in shape with the ultimate pit having a diameter of 1.25 miles. In the first 20 years of operation stripping ratios will gradually increase from a very low 0.6:1 in the first years to 1:1 in year 10 and 1.6:1 in years 15 through 20. Mine operations have been scheduled but not planned in any detail for years 21 to 40. Ore grade will average 0.25% copper and 0.015 ounces of gold per ton in the early years of mine life while ore grade over the first 20 years of operation will average 0.23% copper and 0.013 ounces of gold per ton. Extensive metallurgical testwork completed by Lakefield Research, under the direction of Melis Engineering Ltd., predicts copper recoveries averaging 88% and gold recoveries averaging 74%. Both metals report to a 25% copper concentrate.

In addition, MRDI has indicated that it may be possible to increase the average ore grade for the initial 20 years of mine life to 0.26% copper and 0.015 ounces Au/ton by stockpiling about 17% of lower grade ore mined, thereby allowing the pit to deepen more rapidly down a higher grade central core. Under this amended mine plan, metal production could further increase to 109 million pounds of copper and 266,000 ounces of gold annually. Detailed study of the potential amended mine plan will be undertaken within an overall Project Prefeasibility Study which will commence shortly.

Taseko Mines Limited has a current working capital position of CDN \$7.0 million and has 10,701,874 shares outstanding on a fully diluted basis. The Fish Lake deposit's mineable reserve contains 412 pounds of copper and 1.12 ounces of gold per Taseko common share.

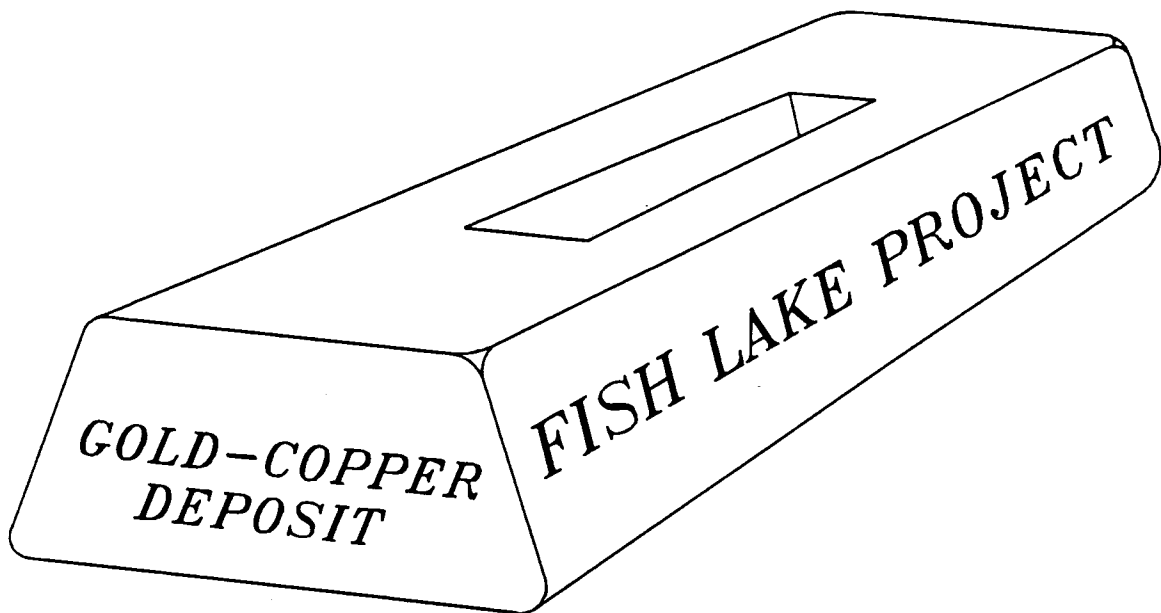
ON BEHALF OF THE BOARD



Robert G. Hunter  
Chairman

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

# **A GOLD - COPPER PROJECT**



**TASEKO MINES LIMITED**

# CHECK LIST FOR GROWTH

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CORPORATE STRENGTH



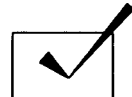
PROJECT INFRASTRUCTURE



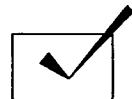
LAND HOLDINGS



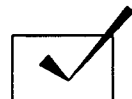
GEOLOGIC SETTING



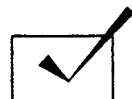
RESERVES AND GEOMETRY



GRADE AND CONTINUITY



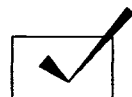
METALLURGY



ENVIRONMENTALLY SOUND



PROJECT ECONOMICS



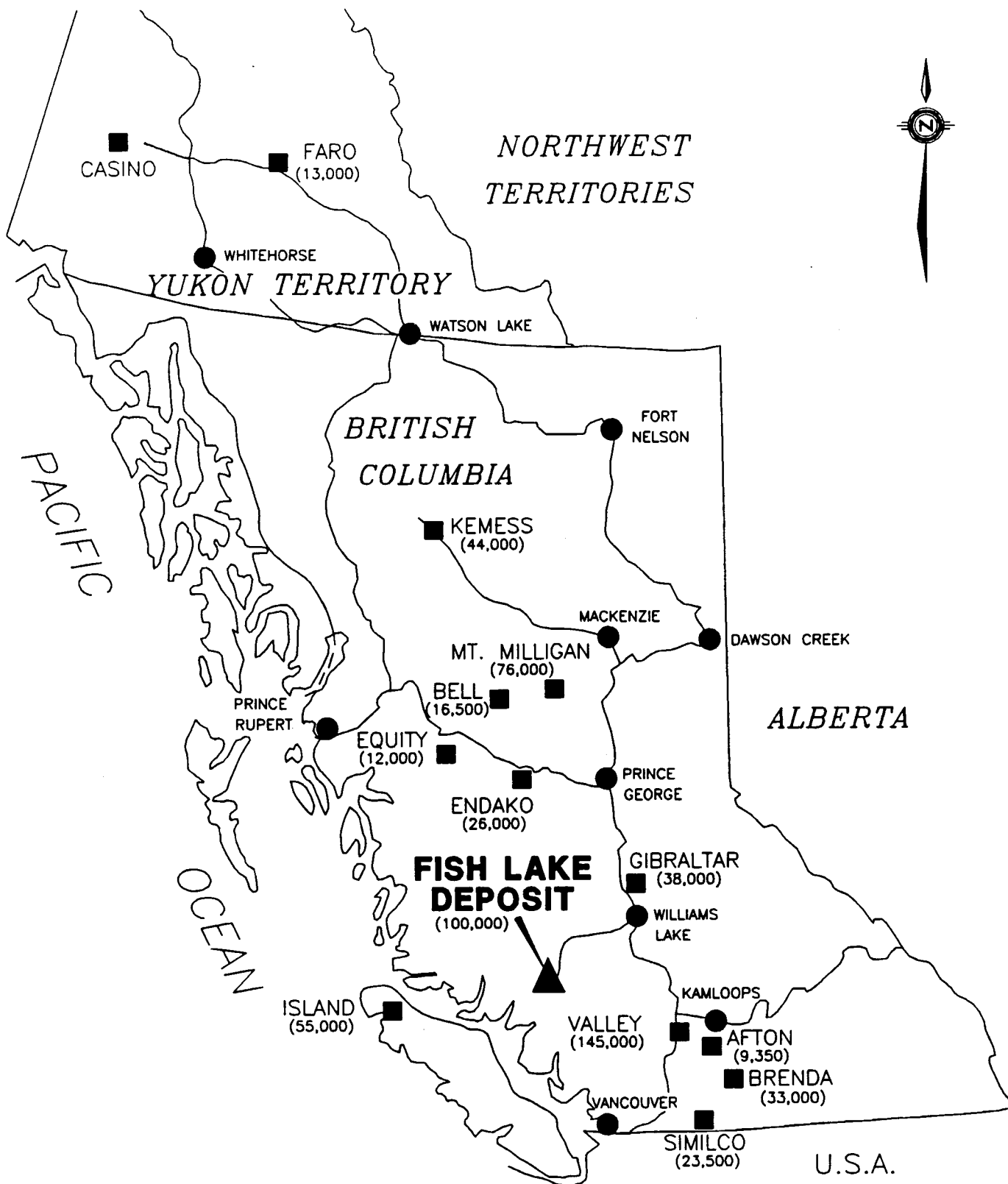
# SHARE STRUCTURE

OCTOBER, 1992

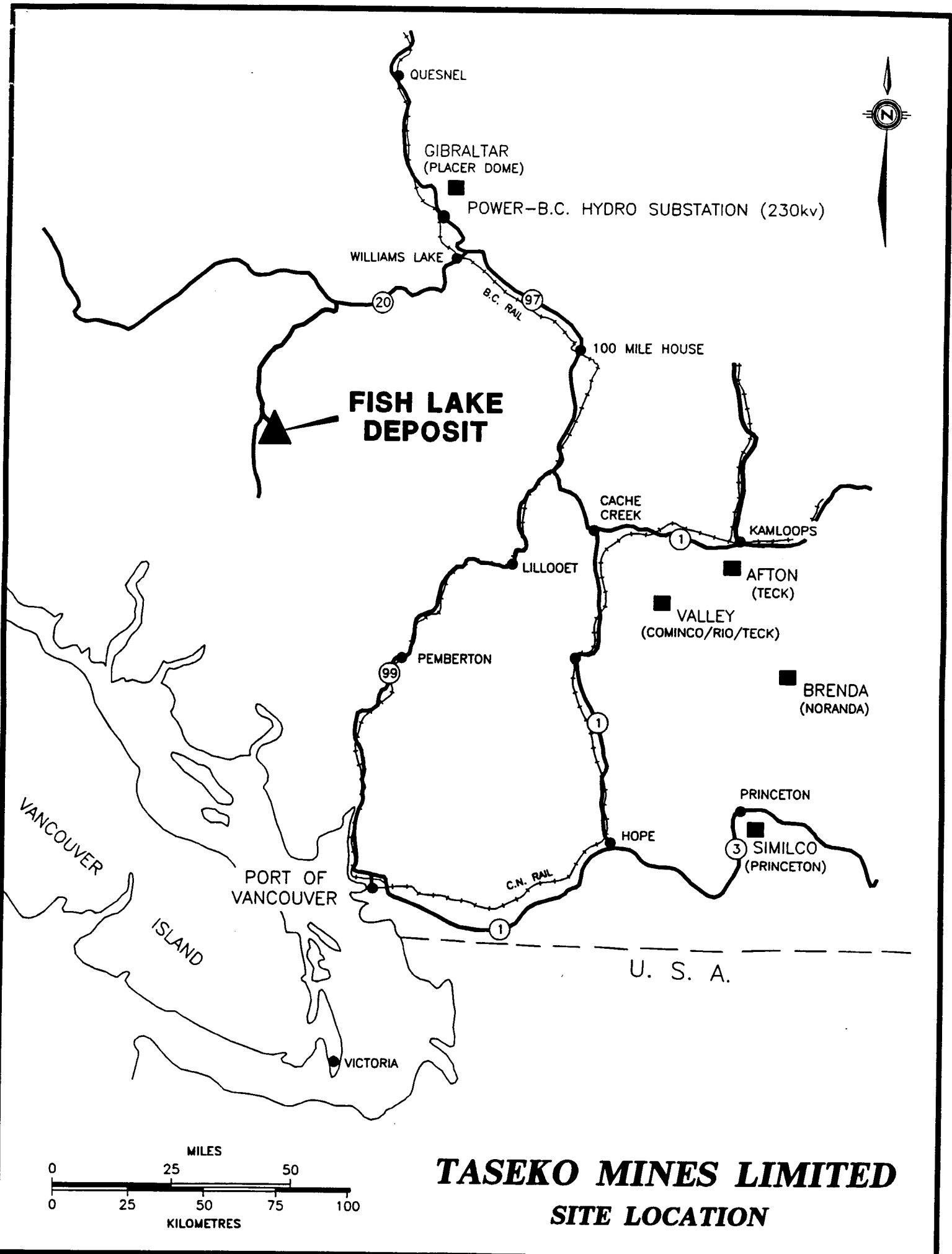
ISSUED SHARES	10,318,374
RESERVED TO ISSUE	363,500
	<hr/>
FULLY DILUTED SHARES	10,681,874 *

\* MANAGEMENT CONTROLS 2,761,985 SHARES (26%)

**TASEKO MINES LIMITED**



**TASEKO MINES LIMITED**  
**B.C./YUKON OPEN PIT MINES**



QUESNEL

GIBRALTAR  
(PLACER DOME)

POWER-B.C. HYDRO SUBSTATION (230kv)

WILLIAMS LAKE

20

97

B.C. RAIL

100 MILE HOUSE

**FISH LAKE  
DEPOSIT**

CACHE  
CREEK

KAMLOOPS

1

LILLOOET

AFTON  
(TECK)

VALLEY  
(COMINCO/RIO/TECK)

PEMBERTON

BRENDA  
(NORANDA)

99

1

PRINCETON

3  
SIMILCO  
(PRINCETON)

HOPE

C.N. RAIL

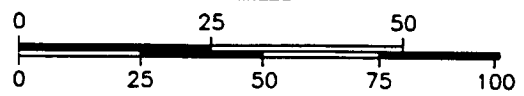
1

PORT OF  
VANCOUVER

U. S. A.

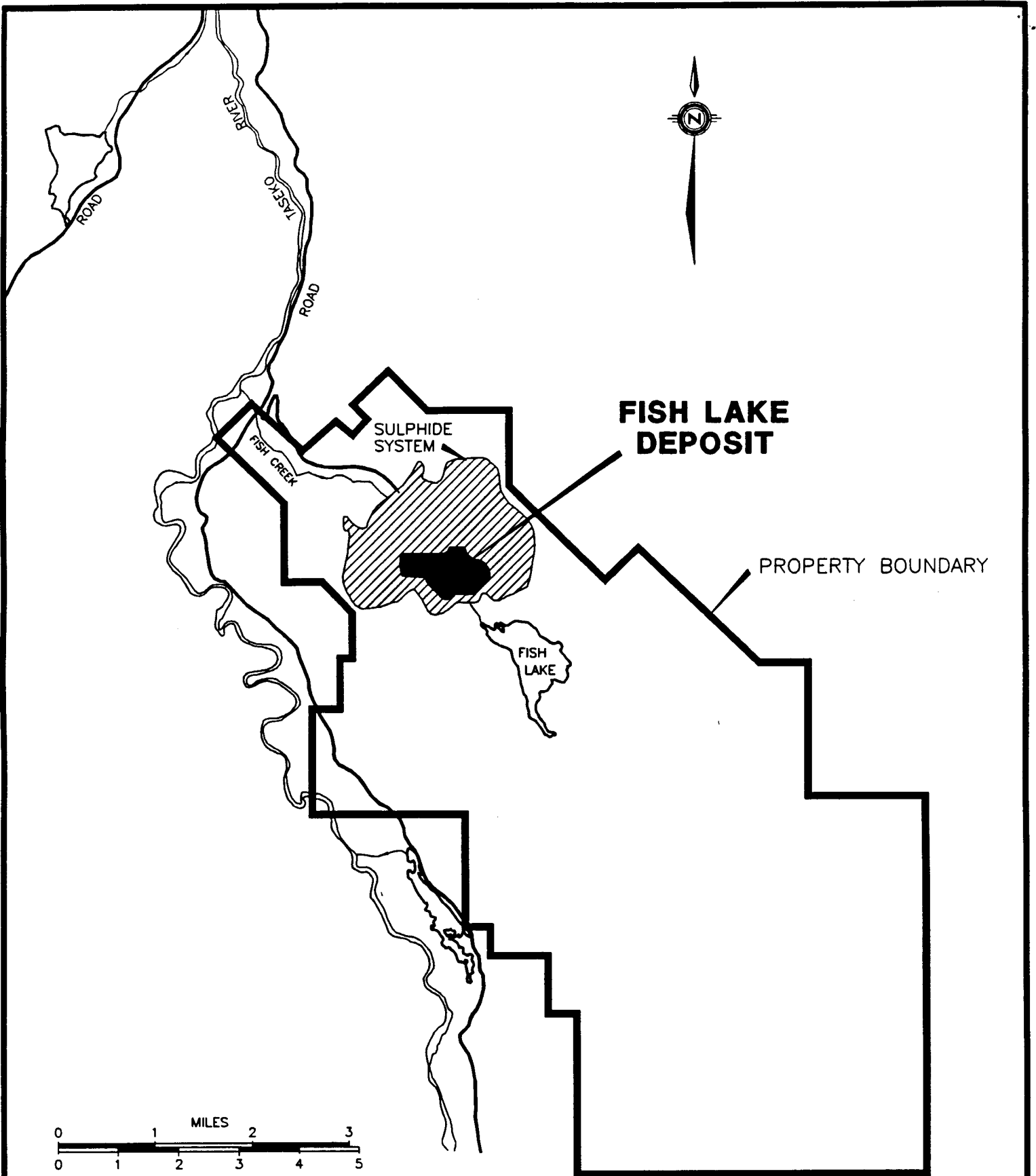
VICTORIA

MILES



**TASEKO MINES LIMITED**  
**SITE LOCATION**










**TASEKO MINES LIMITED**  
**PROPERTY MAP**

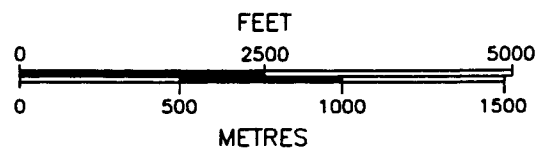


**FISH LAKE  
DEPOSIT**

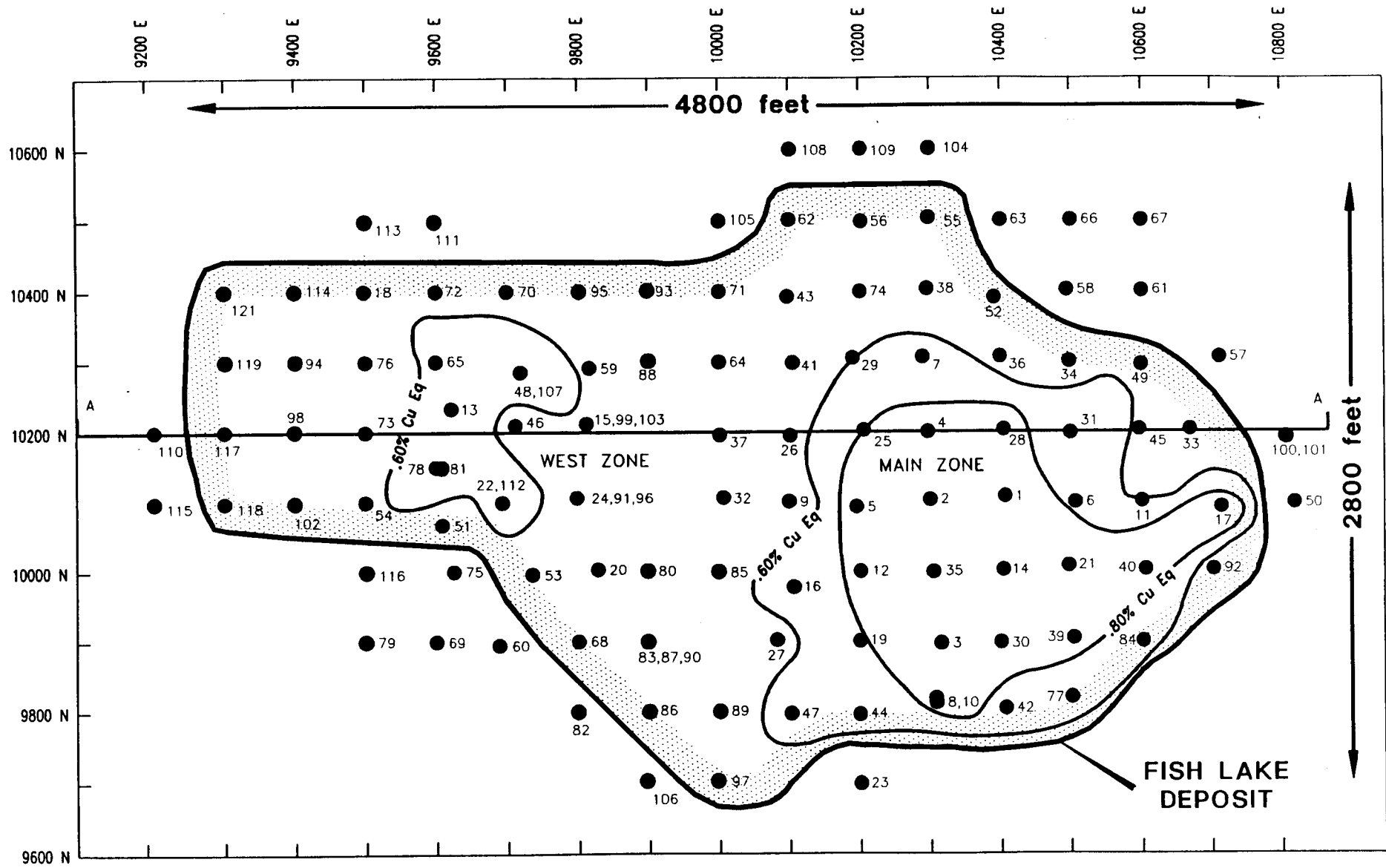
LEGEND

INDUCED POLARIZATION SURVEY  
DISSEMINATED SULPHIDE CONTENT

-  HIGH
-  MEDIUM
-  LOW
-  GOLD VEIN
-  DRILL HOLE LOCATION

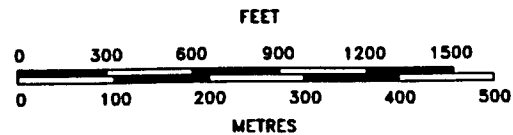


**TASEKO MINES LIMITED**  
**DISSEMINATED SULPHIDE SYSTEM**

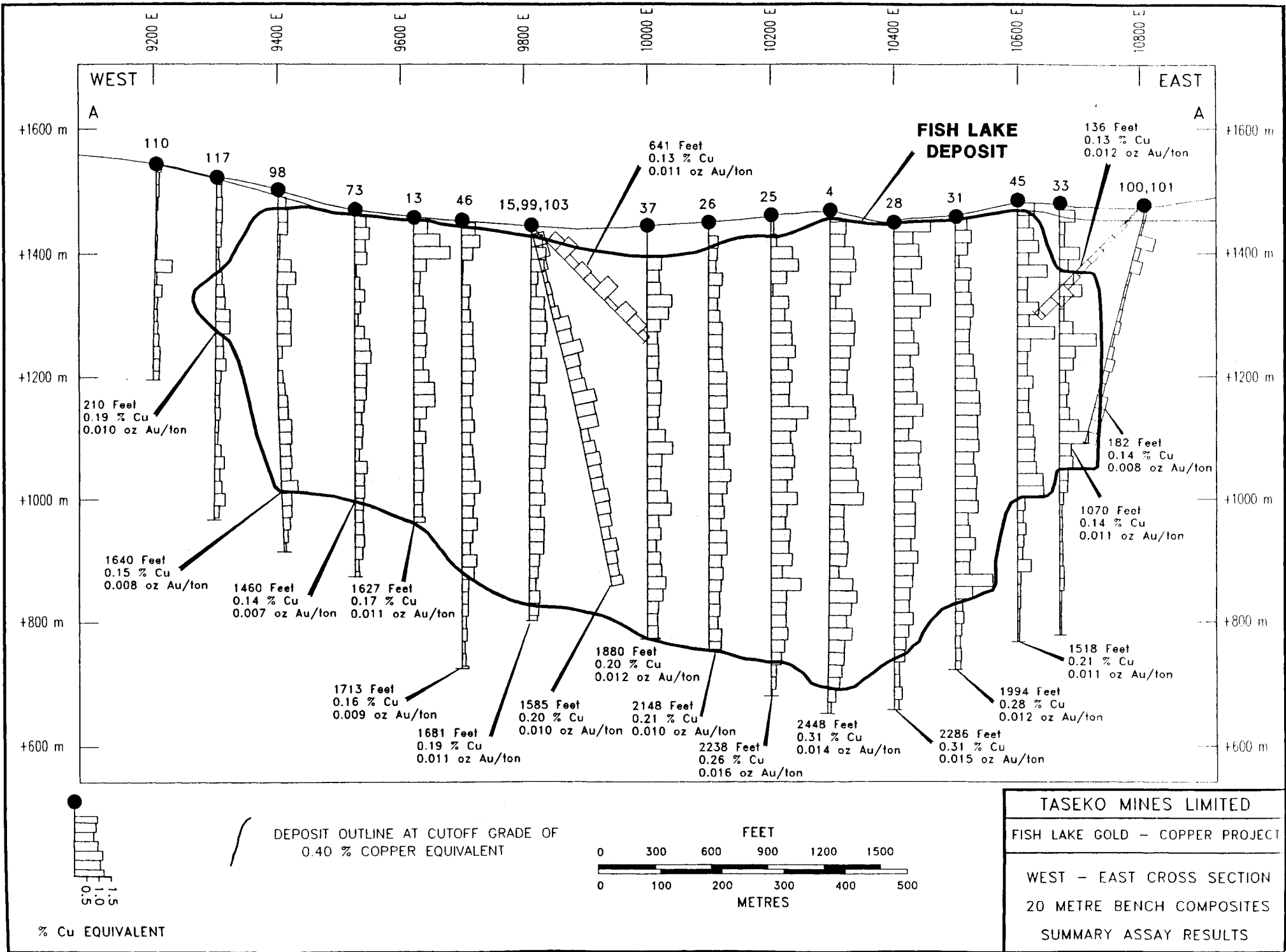


DRILLHOLE LEGEND

- DRILL HOLE
- > .40% Cu EQUIVALENT



**TASEKO MINES LIMITED**  
**DIAMOND DRILL HOLE PLAN**



DRILL HOLE	FROM (ft)	TO (ft)	THICKNESS (ft)	COPPER %	GOLD oz/ton	EST. COPPER EQUIV (%)
91-01	32	2747	2715	0.36	0.022	1.12
91-02	25	2713	2688	0.35	0.019	1.04
91-03	144	2618	2474	0.35	0.016	0.91
91-04	105	2552	2448	0.31	0.014	0.81
91-05	63	2418	2355	0.30	0.015	0.81
91-06	35	2612	2577	0.31	0.013	0.75
91-07	50	748	698	0.25	0.013	0.70
91-08	,91-10 650	2369	1719	0.32	0.016	0.86
91-09	170	2303	2133	0.22	0.010	0.57
92-11	40	1686	1646	0.18	0.010	0.52
92-12	171	2546	2375	0.30	0.015	0.82
92-13	30	1030	1000	0.19	0.013	0.64
92-14	15	2698	2683	0.33	0.017	0.90
92-15	97	1778	1681	0.19	0.011	0.56
92-16	210	2343	2133	0.23	0.013	0.69
92-17	150	512	362	0.10	0.028	1.07
92-18	42	538	496	0.18	0.011	0.55
92-19	220	2507	2287	0.29	0.015	0.79
92-20	330	958	628	0.14	0.010	0.48
92-21	20	2678	2658	0.31	0.017	0.88
92-22	12	696	684	0.17	0.015	0.68
92-23	1325	2087	761	0.21	0.008	0.49
92-25	144	2382	2238	0.26	0.016	0.80
92-26	132	2279	2148	0.21	0.010	0.57
92-27	214	1503	1289	0.22	0.011	0.59
92-28	30	2316	2286	0.31	0.015	0.82
92-29	322	1483	1161	0.20	0.012	0.61
92-30	423	2766	2343	0.33	0.016	0.86
92-31	40	2034	1994	0.28	0.012	0.70
92-32	188	417	229	0.16	0.011	0.54
92-33	354	1424	1070	0.14	0.011	0.53
92-34	64	1306	1242	0.18	0.009	0.50
92-35	74	2743	2669	0.33	0.015	0.86
92-36	50	1293	1243	0.19	0.010	0.54
92-37	175	2054	1879	0.20	0.012	0.59
92-38	72	354	282	0.17	0.007	0.42
92-39	715	2864	2149	0.34	0.014	0.81

**TASEKO MINES LIMITED****DRILL HOLE RESULTS**

DRILL HOLE	FROM ( ft )	TO ( ft )	THICKNESS ( ft )	COPPER %	GOLD oz/ton	EST. COPPER EQUIV (%)
92-40	1030	2861	1831	0.35	0.013	0.81
92-41	269	2119	1850	0.18	0.008	0.45
92-42	1083	2010	927	0.26	0.014	0.75
92-43	58	669	611	0.14	0.009	0.45
92-44	755	2195	1440	0.24	0.011	0.62
92-45	70	1588	1518	0.21	0.011	0.59
92-46	52	1936	1884	0.15	0.008	0.44
92-47	1109	2185	1076	0.26	0.012	0.66
92-48	94	1824	1730	0.19	0.009	0.50
92-49	90	1122	1032	0.20	0.013	0.58
92-51	302	912	610	0.14	0.008	0.43
92-52	151	420	269	0.12	0.009	0.42
92-53	133	715	582	0.15	0.010	0.50
92-54	40	322	282	0.16	0.012	0.58
92-55	59	217	157	0.14	0.011	0.51
92-56	39	171	131	0.16	0.008	0.42
92-59	100	1686	1586	0.17	0.009	0.47
92-62	28	322	295	0.17	0.009	0.47
92-64	499	1608	1109	0.17	0.009	0.47
92-65	92	1332	1240	0.15	0.008	0.42
92-68	79	282	203	0.19	0.007	0.43
92-68	997	1726	728	0.21	0.009	0.50
92-70	100	164	64	0.22	0.011	0.58
92-71	98	256	157	0.22	0.010	0.54
92-72	177	682	505	0.19	0.009	0.49
92-73	34	295	261	0.17	0.009	0.48
92-73	604	1496	892	0.15	0.008	0.41
92-74	66	335	269	0.19	0.008	0.48
92-76	125	787	663	0.17	0.008	0.43
92-77	1161	2672	1511	0.30	0.012	0.72
92-80	72	1490	1417	0.14	0.011	0.51
92-81	24	735	711	0.12	0.008	0.40
92-83	682	1306	623	0.23	0.010	0.55
92-84	1175	2928	1753	0.29	0.009	0.60
92-85	160	2119	1959	0.20	0.011	0.58
92-86	702	1201	499	0.18	0.009	0.48
92-87	991	1987	996	0.17	0.010	0.50

**TASEKO MINES LIMITED****DRILL HOLE RESULTS**

DRILL HOLE	FROM ( ft )	TO ( ft )	THICKNESS ( ft )	COPPER %	GOLD oz/ton	EST. COPPER EQUIV (%)
92-88	154	1070	916	0.24	0.013	0.67
92-89	925	1909	984	0.19	0.010	0.54
92-90	505	847	342	0.18	0.010	0.52
92-91	394	604	210	0.12	0.011	0.49
92-91	1680	1982	302	0.18	0.009	0.48
92-92	1142	2631	1490	0.26	0.007	0.50
92-93	636	971	335	0.17	0.008	0.46
92-94	79	427	348	0.15	0.010	0.50
92-94	1076	1194	118	0.14	0.011	0.52
92-95	125	236	112	0.17	0.009	0.47
92-96	650	768	118	0.13	0.009	0.42
92-97	1444	1778	335	0.18	0.011	0.54
92-97	2080	2323	243	0.22	0.006	0.43
92-98	79	1719	1640	0.15	0.008	0.40
92-99	370	1955	1585	0.20	0.010	0.55
92-100	689	825	136	0.13	0.012	0.53
92-101	1135	1317	182	0.14	0.008	0.42
92-102	499	1437	938	0.15	0.009	0.46
92-103	160	801	641	0.13	0.011	0.51
92-107	72	335	262	0.17	0.013	0.62
92-107	676	1122	446	0.18	0.008	0.45
92-112	70	1713	1643	0.17	0.010	0.52
92-114	54	184	130	0.17	0.016	0.73
92-117	597	807	210	0.19	0.010	0.53
92-118	892	1350	458	0.19	0.008	0.48
92-119	833	1010	177	0.18	0.009	0.50
92-121	46	282	236	0.12	0.008	0.41
AVERAGE OF ALL INTERCEPTS			1102	0.24	0.012	0.66

**TASEKO MINES LIMITED****DRILL HOLE RESULTS**

# FISH LAKE GOLD - COPPER DEPOSIT

## MINE MODEL

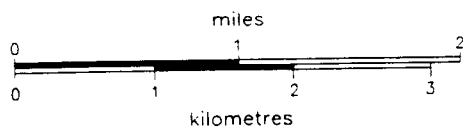
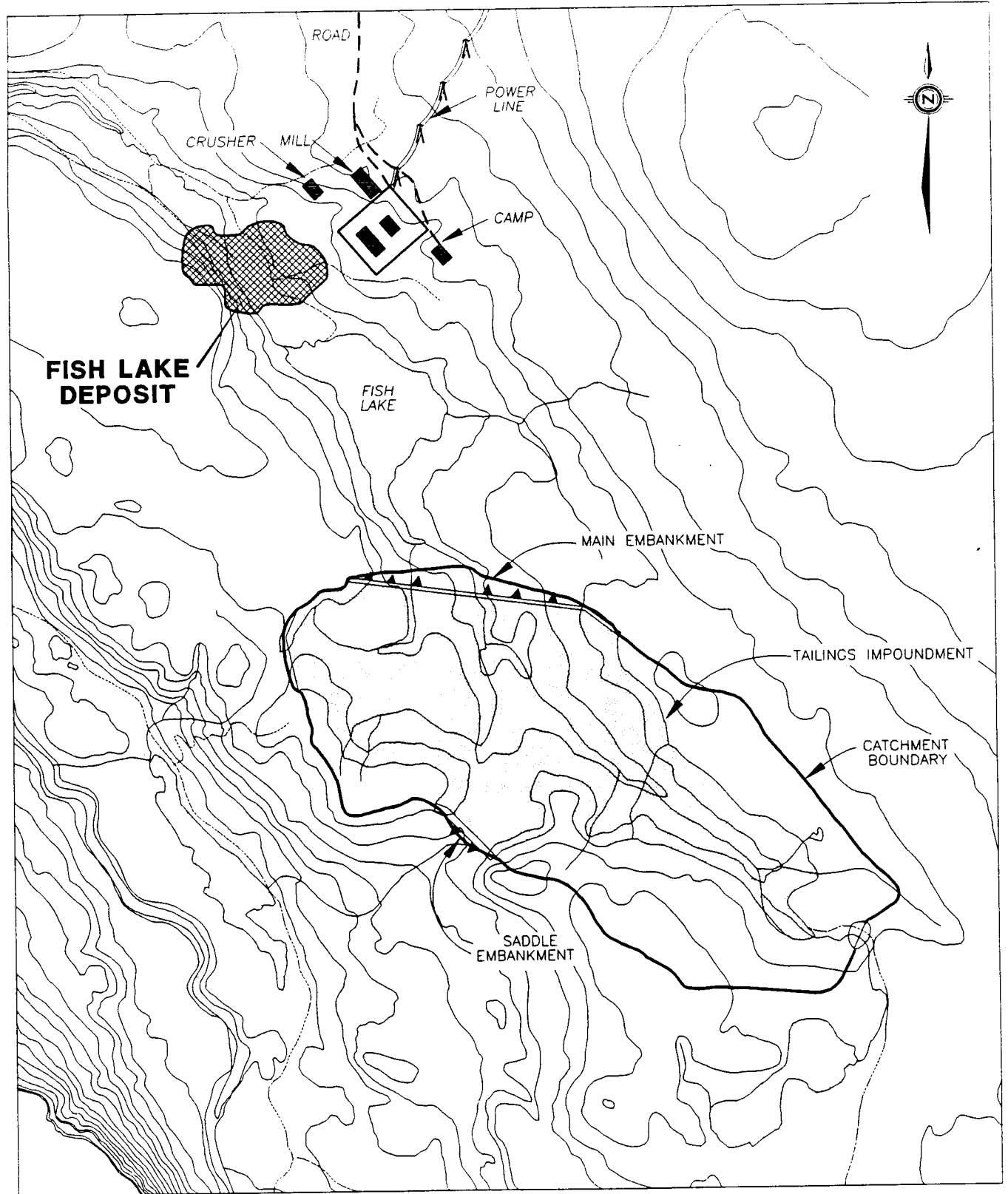
MILLING RATE (tons/day)	100,000
MILLING RATE (tons/year)	33,580,000
MINE LIFE (years)	+ 20
PROJECT CAPITAL COSTS (C\$)	550,000,000
OPERATING COSTS (C\$/ton)	\$4.00

## PROJECTED ANNUAL OPERATIONS

		<u>ANNUAL AVERAGE</u>
FEED GRADE	GOLD (oz/ton)	0.013
	COPPER (%)	0.25
RECOVERY	GOLD (%)	73
	COPPER (%)	88
PRODUCTION	GOLD (oz)	319,000
	COPPER (lb)	148,000,000
CASH COST	GOLD (US \$/oz)	216
	COPPER (US \$/lb)	0.71
CASH COST NET OF COPPER REVENUE	GOLD (US \$/oz)	136
CASH COST NET OF GOLD REVENUE	COPPER (US \$/oz)	0.60

**TASEKO MINES LIMITED**





**TASEKO MINES LIMITED**  
**SITE LAYOUT**

# BRITISH COLUMBIA OPEN PIT MINES

## RANKED BY CONTAINED METAL VALUE AT STARTUP

DEPOSIT	RESERVE MILLION TONS	COPPER BILLION lb	GOLD MILLION oz	MOLYBDENUM MILLION lb	COPPER EQUIVALENT BILLION lb
FISH LAKE VALLEY	979	4.9	13.0	-	10.0
ISLAND	870	8.4	-	122	8.8
GIBRALTAR	282	2.9	1.7	96	3.6
BELL	360	2.7	-	58	2.8
BRENDA	128	1.2	1.3	-	1.5
SIMILCO	175	0.6	-	172	1.0
	60	0.6	0.3	-	0.7

### METAL PRICING (\$ US)

GOLD - \$350 /oz

SILVER - \$4.00 /oz

COPPER - \$1.15 /lb

MOLYBDENUM - \$2.20 /lb

EXCHANGE RATE 0.80 /\$C

**TASEKO MINES LIMITED**

# BRITISH COLUMBIA OPEN PIT MINES

## RANKED BY NET SMELTER RETURN AT STARTUP

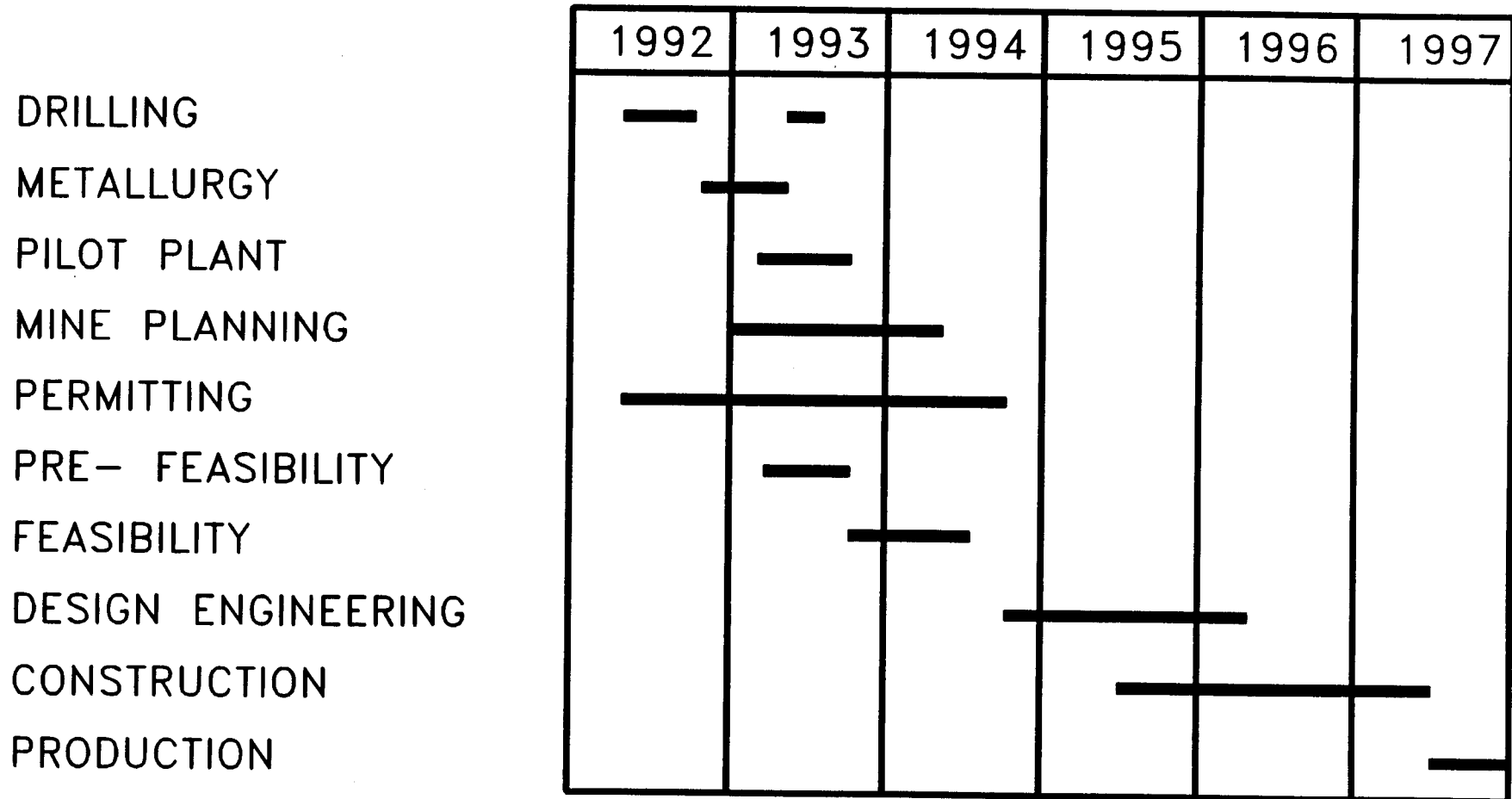
DEPOSIT	TONS PER DAY	COPPER %	GOLD oz/ton	MOLYBDENUM %	NSR \$/TON
ISLAND	55,000	0.52	0.006	0.017	10.32
BELL	16,000	0.48	0.010	-	8.90
VALLEY	145,000	0.48	-	0.007	8.45
SIMILCO	23,500	0.53	0.005	-	8.29
<b>FISH LAKE</b>	<b>100,000</b>	<b>0.25</b>	<b>0.013</b>	-	<b>7.86</b>
GIBRALTAR	38,000	0.37	-	0.008	6.20
BRENDA	33,000	0.18	-	0.049	4.77

### METAL PRICING (\$ US)

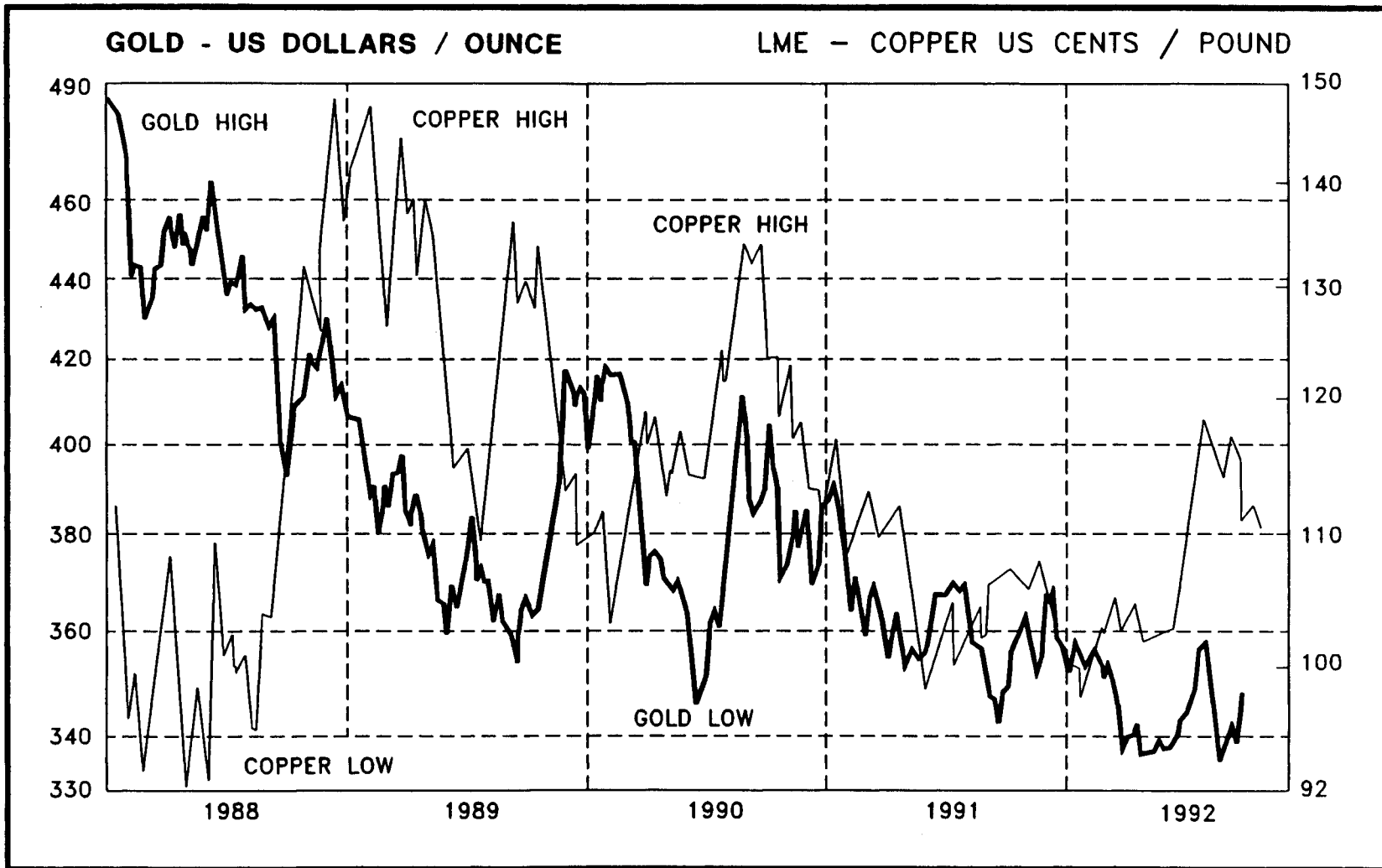
GOLD - \$350 /oz  
SILVER - \$4.00 /oz  
COPPER - \$1.15 /lb  
MOLYBDENUM - \$2.20 /lb  
EXCHANGE RATE 0.80 /\$C

**TASEKO MINES LIMITED**

# FISH LAKE PROJECT



**TASEKO MINES LIMITED**  
**DEVELOPMENT SCHEDULE**



— GOLD PRICE  
 — COPPER PRICE

**TASEKO MINES LIMITED**  
**METALS PRICE DIVERSIFICATION**

# TASKEO MINES LIMITED

## Officers

Robert G. Hunter, Chairman  
Robert A. Dickinson, President  
Aziz Shariff, Vice President  
Douglas B. Forster, Secretary

## Transfer Agent

Montreal Trust Company  
4th Floor, 510 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3B9

## CORPORATE INFORMATION

## Directors

Scott D. Cousens  
Robert A. Dickinson  
Douglas B. Forster  
Robert G. Hunter  
Aziz Shariff

## Bank

Canadian Imperial Bank  
of Commerce  
400 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3A6

## Corporate Address

1020-800 West Pender Street  
Vancouver, B.C., V6C 2V6  
Telephone (604) 684-6365  
Fax (604) 684-8092

## Trades

NASDAQ (TKO:CF)  
Vancouver Stock Exchange (TKO:V)

## Solicitors

Lang, Michener, Lawrence & Shaw  
2500-595 Burrard Street  
Vancouver, British Columbia  
Canada V7X 1L1

## For further information contact:

Scott D. Cousens, Director of  
Corporate Communications  
1020-800 West Pender Street  
Vancouver, British Columbia  
Canada V6C 2V6  
Telephone: 604-684-6365  
Facsimile: 604-684-8092

## Auditors

DeVisser & Co.  
Chartered Accountants  
201-960 Richards Street  
Vancouver, British Columbia  
Canada V6B 3C1



**Taseko Mines Limited's objective is to maximize shareholder value from North America's largest, undeveloped gold-copper deposit at Fish Lake, southern British Columbia, Canada**

The Fish Lake deposit, which contains 14.8 million ounces of gold and 5.6 billion pounds of copper, has all the elements required for a world-class, open pit mine development. Project engineering and permitting programs are progressing rapidly to meet that goal.

Control of North America's leading development stage project makes Taseko Mines Limited an attractive target for growth-oriented senior mining companies. In recent years, shareholders of two junior mining companies directed by Taseko's management team participated in spectacular growth which culminated in takeover offers for their shares totalling \$222 million.

The team, from left: Stephen Millen, Scott Cousens, Robert Dickinson, Douglas Forster, Robert Hunter and Walter Schmid. Aziz Shariff was not available at time of photograph.



**TASEKO MINES LIMITED**

1020 • 800 West Pender Street  
Vancouver, British Columbia  
Canada V6C 2V6  
Telephone: 604 684 • 6365  
Facsimile: 604 684 • 8092  
Toll Free: 1 800 667 • 2114

*TKO shares trade on:*

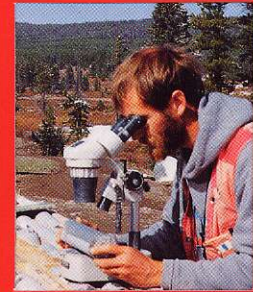
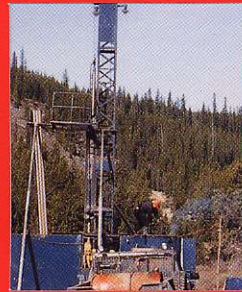
NASDAQ (TKOCF)

The Vancouver Stock Exchange (TKO.V)



TASEKO MINES LIMITED

1992 Annual Report



Rebuilding Canada's Mineral Reserves



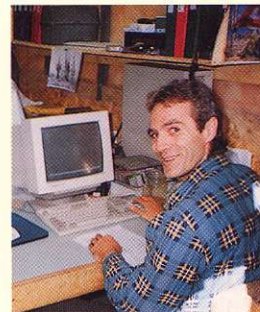
## Corporate Profile . . .

Taseko Mines Limited is committed to the growth of shareholder value through rapid development of North America's largest undeveloped gold-copper resource at Fish Lake, in southern British Columbia, Canada.

The Company has discovered, by extensive drilling, a deposit of 1.265 billion tons containing 14.8 million ounces of gold and 5.6 billion pounds of copper. The Fish Lake deposit has all the elements required for an open pit mine development which could sustain annual, world-class production of both gold and copper over a mine life in excess of 20 years. Project engineering and permitting work is progressing rapidly to meet that goal.

Control of North America's leading development stage mining project makes Taseko Mines Limited an attractive target for growth-oriented senior mining companies.

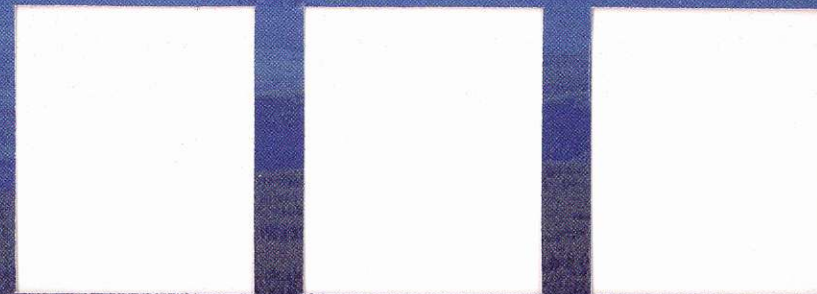
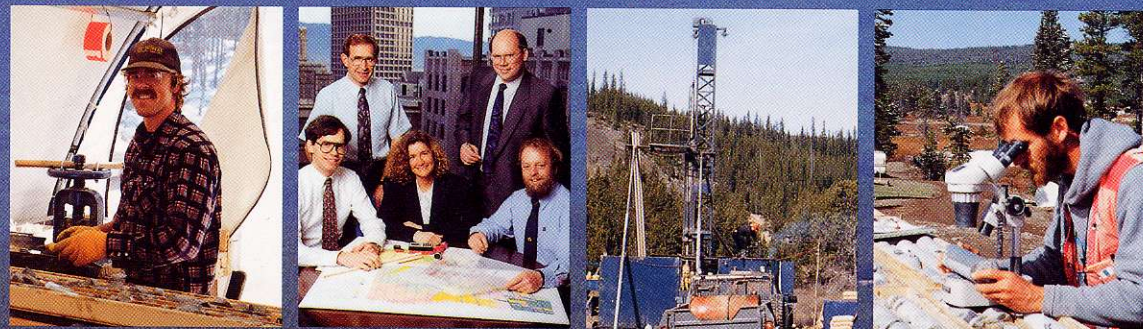
Common shares of Taseko Mines Limited trade in the USA on the NASDAQ system (TKOCF) and in Canada on the Vancouver Stock Exchange (TKO.V). Shareholders are located in Canada, United States and Europe.



THE TASEKO TEAM HAS PROVEN A WORLD-CLASS GOLD-COPPER DEPOSIT IN RECORD TIME.

WITH 14.8 MILLION OUNCES OF GOLD AND 5.6 BILLION POUNDS OF COPPER THE FISH LAKE DEPOSIT HAS THE RESERVE BASE TO SUPPORT AN UNUSUALLY LONG MINE LIFE.

PROJECT BASE LINE ENVIRONMENTAL DATA HAS BEEN CONTINUOUSLY COLLECTED SINCE 1991. EMPLOYING UP TO 1000 PEOPLE, LARGE SCALE PRODUCTION COULD BEGIN AS EARLY AS 1997.



## Achievements 1992

### CORPORATE

- Focused on Fish Lake Project development.
- Completed \$11.6 million in new financing.
- Obtained NASDAQ listing with symbol TKOCF.

### FISH LAKE PROJECT

- Completed \$6.1 million development drilling program.
- Delineated North America's largest undeveloped gold-copper deposit.
- Completed extensive metallurgical testing.
- Advanced environmental and socioeconomic permitting studies.
- Initiated detailed engineering studies.

FISH LAKE DEPOSIT



## Objectives 1993

### CORPORATE

- Continue to minimize dilution of shareholder's equity.
- Introduce Fish Lake Project to selected senior mining companies.

### FISH LAKE PROJECT

- Complete optimum open pit mine planning studies.
- Complete pilot plant metallurgical programs.
- Complete environmental and socioeconomic studies.
- Complete all ancillary project component studies.
- File a Pre-Application for a Mine Development Certificate.
- Complete Fish Lake Project Prefeasibility Study.

## Report to Shareholders

**D**uring 1992, Taseko Mines Limited confirmed through extensive diamond drilling, North America's largest, undeveloped, open pit, gold-copper deposit at Fish Lake, southern British Columbia, Canada.

The Fish Lake Project is a major mine development in the engineering stage. Commercial production at Fish Lake would result in world-class production of both gold and copper from one, long-life mine.

A continuous, four-rig drilling program conducted from April through October, 1992 confirmed preliminary deposit mineral reserves of 1.265 billion tons, containing 14,800,000 ounces of gold and 5,600,000,000 pounds of copper. These results equate to 525 pounds of copper and 1.4 ounces of gold per Taseko common share.

At this stage, preliminary projections indicate that conventional milling at a rate of 60,000 to 100,000 tons per day would yield average annual production of up to 319,000 ounces of gold and 148 million pounds of copper. Current reserves would provide for an open pit mine life in excess of 20 years. Production at this scale would place the Fish Lake deposit among the most significant of North American gold mines and at the same time a leading producer of copper.

Established infrastructure, excellent deposit geometry, metallurgy and topography combine at Fish Lake and are well suited for high volume, low cost open pit mining. Extensive technical studies have been initiated for timely development of the Project.

### PLANS AND OUTLOOK

During 1993, the Company will focus on the engineering and permitting of the Fish Lake Project for large scale production. Currently, a prefeasibility engineering program is in progress to determine mineable reserves and the optimum mining and milling rates from that reserve. In addition, further metallurgical testwork is underway on a 5 ton bulk sample representative of the entire Fish Lake deposit. Final pilot plant metallurgical work



ROBERT G. HUNTER

ROBERT A. DICKINSON

will commence upon the completion of this testwork. A bankable feasibility study will be completed and government production approvals will be applied for as soon as practical.

Upon commercial production, Fish Lake would have a significant advantage over single metal producers because diversified, dual metal production would protect revenues from metal price fluctuations.

Fish Lake deposit reserves substantially exceed start-up reserves of British Columbia's well known open pit mines. Most of British Columbia's existing copper mines are nearing exhaustion and forecasts are that all but two of the province's open pit mines will close by the year 2000 due to depletion of ore reserves. This fact, when coupled with the rising world-wide demand for copper, makes the need for Fish Lake production exceptionally high.

Taseko's site development, feasibility engineering and government permitting studies continue to drastically

THE TASEKO  
TEAM IS FOCUSED  
ON THE RAPID  
GROWTH OF  
SHAREHOLDER  
VALUE.

reduce risks that are associated with any mining project. This year, upon completion of third party engineering work the Company plans to introduce the Fish Lake Project to a select group of growth-oriented senior mining producers which have the resources to place the Fish Lake deposit into world-class copper and gold production.

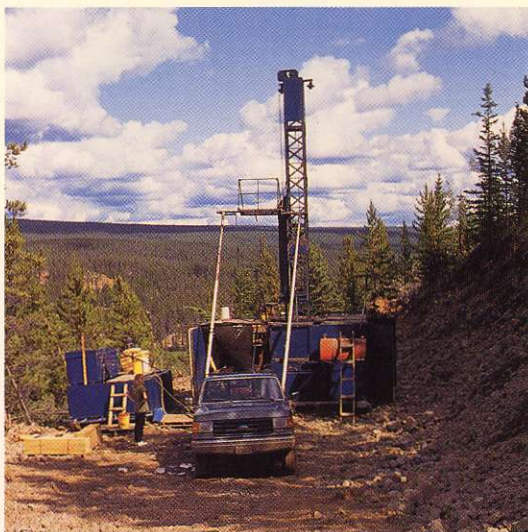
#### FINANCIAL

Taseko Mines Limited is in a sound financial position. During fiscal 1992, \$11.64 million in equity financing was completed. Private placement funding totalled \$11.46 million and exercise of stock options provided \$181,475. At fiscal year end working capital was \$5.27 million.

Subsequent to year end and up to January 15, 1993, a further \$3.27 million was raised by the exercise of the outstanding balance of share purchase warrants attached to fiscal 1992 private placement funding. Current working capital is \$7.8 million and the Company is debt free. Further financing is not expected to be required to bring the Fish Lake Project to a bankable feasibility status.

The Fish Lake Project's capital and operating costs cannot be accurately determined prior to the selection of optimum mining and milling rates and the completion of feasibility engi-

neering work. However, Fish Lake production is expected to commence in the 60,000 to 100,000 ton per day range. Average industry capital costs are \$5,000 to \$7,000 per daily ton of mill throughput. Average operating costs for British Columbia's currently operating open pit mines are in the range of \$4 to \$5



per ton milled. At current metal prices, Fish Lake reserves have an average net smelter return value in the range of \$8 per ton. Comparatively low capital and operating costs can be expected for the Fish Lake Project due to a combination of favourable economic and environmental factors including: existing highway access to established infrastructure in the heart of open pit mining country; gentle topography; moderate climate; low stripping

ratios; low work index ore, low sulphide ore, and environmentally favourable acid consuming tailings.

Confirmation of the immense Fish Lake deposit has made Taseko Mines Limited North America's leading development stage mining company. By relative measures, such as gold reserves per share or copper reserves per share, Taseko is one of North America's most highly levered companies to benefit from increases in prices of copper or gold.

#### ACKNOWLEDGEMENTS

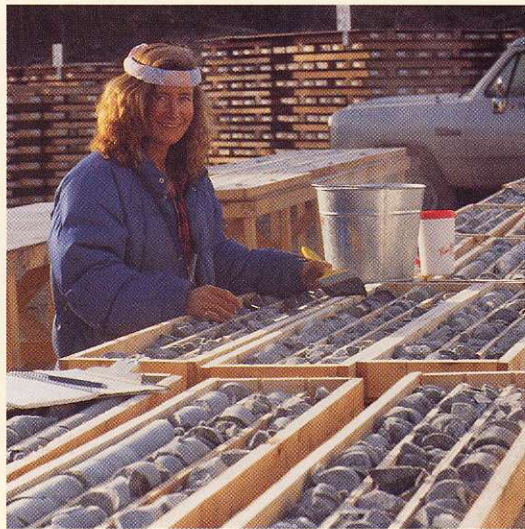
The Company's success in 1992 was the result of a dedicated and co-operative team effort by all employees. Their outstanding ability has transformed an exploration play into a proven, world-class gold-copper deposit in record time. Taseko team members take pride in the contributions they are making to the Province and communities where they work. From the beginning they have ensured that an excellent rela-

EXTENSIVE DRILLING HAS CONFIRMED A DEPOSIT CONTAINING 525 POUNDS OF COPPER AND 1.4 OUNCES OF GOLD PER TASEKO COMMON SHARE.

ESTABLISHED  
INFRASTRUCTURE,  
EXCELLENT DEPOSIT  
GEOMETRY, METAL-  
LURGY AND TOPOG-  
RAPHY COMBINE AT  
FISH LAKE AND ARE  
WELL SUITED FOR  
LARGE-SCALE, OPEN  
PIT MINING.

tionship exists with the people living in the Fish Lake region. The Taseko team's spirit and tenacity combined with a deposit with the remarkable calibre of Fish Lake will ensure unprecedented growth for Taseko Mines Limited in the months ahead.

In mid-1992, due to health concerns, Jeff Franzen retired from the Board. He contributed to many of the events and transactions which influenced the Company's initial growth. Scott D. Cousens was welcomed to the Board as Director of Corporate Communications.



Our sincere gratitude is extended to our loyal shareholders. Without your support these initial goals would not have been achieved. We look forward to all shareholders participating in the rewards from the very substantial wealth in gold and copper that Taseko has discovered.

On Behalf of the Board

Robert G. Hunter  
Chairman and  
Chief Executive Officer

Robert A. Dickinson  
President and  
Chief Financial Officer

OPERATIONS (continued)

program with the citizens and communities in the region of the Fish Lake Project. This program was commenced by Taseko well in advance of the timetable set out by government regulations.

On July 11, 1992 Taseko Mines held a successful Open House for the general public at the Fish Lake Development Site. A total of 175 people from the Williams Lake and Chilcotin region attended the information session. Of these attendees, 50 took time to fill out a questionnaire on the Project. Eighty-six percent of those that responded were in favour of development of the Fish Lake Project; 14 percent were undecided and no one was opposed. The citizens of Williams Lake and the Chilcotin region show a high level of support for the Fish Lake Project.

Taseko continues to keep the region's citizens apprised of new project developments. A Pre-Application for a Mine Development Certificate is planned to be filed by mid-1993 with the Provincial

government agencies and will be distributed to interested parties in the Williams Lake and Chilcotin regions. A Pre-Application for a Mine Development Certificate is the first of two project documents required for approval of a mine and will be a comprehensive review of the technical, environmental and socioeco-



economic aspects of the Fish Lake Project. The Pre-Application document will provide government agencies with the data required to determine the terms of reference for the second project document required – An Application for a Mine Development Certificate – which is expected to be filed some 12 months later and will include detailed results from completed engineering, feasibility, environmental and socio-economic programs.

**DEVELOPMENT SCHEDULE**

Cumulative exploration expenditures to the end of fiscal year 1992 totalled \$7.96 million. An accelerated, \$1.2 million feasibility, engineering and permitting program is currently underway. Construction of the estimated \$300-550 million project (depending on the mill throughput rate selected and final design) could start in 1995. Employing up to 1000 people, large scale production of gold and copper could follow in 1997.

CITIZENS OF THE REGION SHOW A HIGH LEVEL OF SUPPORT FOR THE FISH LAKE PROJECT.

## **Auditors' Report**

To the Shareholders of Taseko Mines Limited

We have audited the balance sheets of Taseko Mines Limited as at September 30, 1992 and 1991 and the statements of loss and deficit and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 1992 and 1991 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles in Canada. As required by the Company Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

### **DE VISSER & COMPANY**

CHARTERED ACCOUNTANTS

Vancouver, B.C.  
January 15, 1993

## **Comments by Auditors for U.S. Readers on Canada-U.S. Reporting Conflict**

In the United States, reporting standards for auditors require the addition of an explanatory paragraph when the financial statements are affected by significant uncertainties and contingencies such as those referred to in note 1 to these financial statements. Our report to the shareholders dated January 15, 1993 is expressed in accordance with Canadian reporting standards which do not require a reference to such matters when the uncertainties are adequately disclosed in the financial statements.

### **DE VISSER & COMPANY**

CHARTERED ACCOUNTANTS

Vancouver, B.C.  
January 15, 1993



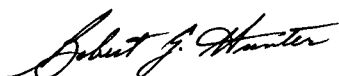
## Balance Sheets

SEPTEMBER 30  
(expressed in Canadian dollars)

TASEKO MINES LIMITED

	1992	1991
	\$	\$
<b>ASSETS</b>		
CURRENT		
Cash and term deposits	5,546,750	540,701
Accounts receivable	251,637	81,409
Total current assets	5,798,387	622,110
CAPITAL ASSETS	3,316	3,322
MARKETABLE SECURITIES, Market Value – \$15,071 (1991 – \$15,071) (note 4)	15,071	15,071
RECLAMATION BONDS	15,458	8,169
MINERAL PROPERTIES (note 5)	3,586,356	1,269,196
DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES	7,956,510	1,846,781
	<u>17,375,098</u>	<u>3,764,649</u>
<b>LIABILITIES</b>		
CURRENT		
Accounts payable	531,609	164,284
Total current liabilities	<u>531,609</u>	<u>164,284</u>
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL (note 7)		
Issued – 9,990,959 common shares (1991 – 8,016,384)	18,729,056	4,923,506
DEFICIT	(1,885,567)	(1,323,141)
	<u>16,843,489</u>	<u>3,600,365</u>
	<u>17,375,098</u>	<u>3,764,649</u>

APPROVED BY THE DIRECTORS:



Robert G. Hunter, Director



Robert A. Dickinson, Director

See accompanying notes to the financial statements

## Statements of Loss and Deficit

FOR THE YEARS ENDED SEPTEMBER 30  
(expressed in Canadian dollars)

TASEKO MINES LIMITED

	1992	1991
	\$	\$
OIL AND GAS REVENUE	—	997
EXPENSES		
Advertising and promotion	94,129	77,421
Amortization	1,272	368
Filing, listing and transfer agent fees	42,220	11,433
Interest and bank charges	74,389	2,573
Investor communications	72,019	—
Legal and accounting	118,087	29,891
Management fees	—	7,500
Office, telephone and miscellaneous	46,043	18,670
Printing	76,411	—
Rent	38,361	15,837
Salaries and benefits	73,114	—
Travel	103,866	—
	<u>739,911</u>	<u>163,693</u>
	(739,911)	(162,696)
INTEREST INCOME	178,825	51,165
WRITE-DOWN OF MARKETABLE SECURITIES	—	(73,870)
WRITE-OFF OF MINERAL PROPERTIES	(1,340)	(20,000)
WRITE-OFF OF OIL AND GAS PROPERTY	—	(56,325)
	<u>(562,426)</u>	<u>(261,726)</u>
NET LOSS FOR THE YEAR	(562,426)	(261,726)
DEFICIT – BEGINNING OF YEAR	<u>(1,323,141)</u>	<u>(1,061,415)</u>
DEFICIT – END OF YEAR	<u>(1,885,567)</u>	<u>(1,323,141)</u>
LOSS PER SHARE (note 3)	<u>(\$0.06)</u>	<u>(\$0.04)</u>
SUPPLEMENTAL DISCLOSURE		
Weighted-average number of shares outstanding	<u>8,863,522</u>	<u>6,220,022</u>

See accompanying notes to the financial statements

## Statements of Changes in Financial Position

TASEKO MINES LIMITED

FOR THE YEARS ENDED SEPTEMBER 30  
(expressed in Canadian dollars)

	1992 \$	1991 \$
<b>CASH PROVIDED BY (USED IN):</b>		
OPERATING ACTIVITIES		
Net loss for the year	(562,426)	(261,726)
Adjustments to reconcile net loss to cash applied to operating activities:		
Amortization	1,272	368
Write-down of marketable securities	—	73,870
Write-off of mineral properties	1,340	20,000
Write-off of oil and gas property	—	56,325
Accounts receivable	(170,228)	(80,043)
Accounts payable	367,325	98,679
Due to related party	—	(10,190)
Net cash used for operating activities	<u>(362,717)</u>	<u>(102,717)</u>
FINANCING ACTIVITIES		
Proceeds from issue of share capital	11,637,525	1,861,250
Issue of share capital for mineral properties	2,308,500	1,018,500
Issue of share capital for agents' fees	242,200	—
Share issue costs	(382,675)	—
Net cash provided by financing activities	<u>13,805,550</u>	<u>2,879,750</u>
INVESTING ACTIVITIES		
Mineral properties:		
Acquisition for cash	(10,000)	(39,351)
Acquisition by issue of share capital	(2,308,500)	(1,018,500)
Exploration and development expenditures	(6,109,729)	(1,191,930)
Reclamation bonds	(7,289)	(8,169)
Capital assets	(1,266)	(3,690)
Net cash used for investing activities	<u>(8,436,784)</u>	<u>(2,261,640)</u>
INCREASE IN CASH DURING THE YEAR	5,006,049	515,393
CASH – BEGINNING OF YEAR	540,701	25,308
CASH – END OF YEAR	<u>5,546,750</u>	<u>540,701</u>
SUPPLEMENTAL INFORMATION:		
Interest paid on convertible promissory notes	<u>73,230</u>	—

See accompanying notes to the financial statements

## Schedules of Deferred Exploration and Development Expenditures

TASEKO MINES LIMITED

FOR THE YEARS ENDED SEPTEMBER 30  
(expressed in Canadian dollars)

	1992	1991
	\$	\$
FISH LAKE PROPERTY		
Assays	897,195	63,633
Camp services	23,352	—
Drafting	66,960	68,454
Drilling	4,085,655	521,564
Environmental	27,955	—
Equipment rental	163,227	24,686
Field contractors	85,764	17,191
Freight and transport	37,699	5,121
Geological and geophysical	42,293	18,516
Metallurgical	25,919	316,435
Project engineering	38,200	49,320
Property fees and assessment	37,305	—
Road construction	10,204	—
Salaries and benefits	470,253	95,767
Supplies and consumables	86,020	2,009
Travel and accommodation	11,728	9,234
	<u>6,109,729</u>	<u>1,191,930</u>
BALANCE – BEGINNING OF YEAR	1,846,781	654,851
BALANCE – END OF YEAR	<u><u>7,956,510</u></u>	<u><u>1,846,781</u></u>

*See accompanying notes to the financial statements*

# Notes to the Financial Statements

TASEKO MINES LIMITED

SEPTEMBER 30, 1992

(expressed in Canadian dollars)

## 1. NATURE OF OPERATIONS

The Company is incorporated in British Columbia and its principal activity is the exploration and development of the Fish Lake mineral deposit. The underlying value of the mineral property and the related deferred costs is entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the development, and upon future profitable production or proceeds from the disposition of the property.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### MINERAL PROPERTIES AND DEFERRED COSTS

The cost of mineral properties and related exploration and development costs are deferred until the properties are placed into production, sold, or abandoned. These costs will be amortized over the estimated useful life of the properties following the commencement of production or written off if the properties are sold, allowed to lapse, or abandoned.

Cost includes the cash consideration and the fair market value of shares as they are issued, if any, on the acquisition of mineral properties and on the settlement of interests therein. Properties acquired under option agreements or by joint ventures, whereby payments are made at the sole discretion of the Company, are recorded in the accounts at such time as the payments are made.

### SHARE CAPITAL

Share capital issued for non-monetary consideration is recorded at the fair market value on the date the agreement to issue the shares was entered into as determined by the Board of Directors of the Company based on the trading price of the shares on the Vancouver Stock Exchange.

The proceeds from common shares issued pursuant to flow-through share financing agreements are credited to share capital and the tax benefits of the exploration expenditures incurred pursuant to these agreements are transferred to the purchaser of the flow-through shares.

Costs incurred for the issue of common shares are netted to share capital.

## 3. LOSS PER SHARE

Primary loss per share is calculated using the weighted-average number of common shares outstanding during each year. Fully-diluted loss per share is not disclosed since it is anti-dilutive.

## 4. MARKETABLE SECURITIES

Marketable securities are stated at the lower of cost and estimated realizable value and are comprised of 175,882 common shares of Big Bar Gold Corporation and 100,000 common shares of AAR Resources Inc.

## **5. MINERAL PROPERTIES**

### **FISH LAKE PROPERTY, CLINTON MINING DIVISION, BRITISH COLUMBIA, CANADA**

In 1979, the Company granted an option to Cominco Ltd. ("Cominco") to acquire an 80% interest in these claims. Effective December 1, 1985, the Company terminated the agreement on the basis that insufficient work was performed on the property by Cominco. Legal proceedings between Cominco and the Company ensued and the trial decision and subsequent appeal by the Company were both rendered in favour of Cominco, thereby reinstating the agreement.

The Company gave Cominco a further notice of termination of the agreement effective December 15, 1990 and then entered into settlement agreements with Cominco dated April 25, 1991 which gave the Company the exclusive right to control the property until May 31, 1995.

Under the terms of the agreements, if the Company is the subject of a successful takeover bid or if the Company sells the Property prior to May 31, 1995, the Company and Cominco will divide the proceeds, known as the "Project Value" of the Property, according to a specific formula. The Project Value is defined as 5/3 of the value of a take-over bid for the Company's shares on a fully-diluted basis or is defined as the Property sale price if the Company sells 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.

The Company also issued to Cominco 1,000,000 of its common shares in three allotments.

In the event that by May 31, 1995, there has been neither a successful take-over of the Company nor a sale of the Property, the Property will revert to Cominco with the Company retaining a 20% net profits interest. In addition, Cominco will grant to the Company, for a 31 month period following May 31, 1995, a right of first refusal on any proposed sale of the Property by Cominco.

The Company entered into an agreement to purchase a 100% interest in the Fish 1-4 mineral claims from Cascade Investments Joint Venture in consideration for the payment of \$70,000 (\$20,000 paid) and the issuance of 55,000 common shares (20,000 shares issued) in stages over three years.

## **6. RELATED PARTY TRANSACTIONS**

Pacific Sentinel Gold Corp. ("Pacific Sentinel"), a company with directors in common with the Company, is owed \$26,879 for expense reimbursements. An aggregate of \$241,758 in expenses have been incurred by Pacific Sentinel on behalf of the Company.

## 7. SHARE CAPITAL

Authorized share capital of the Company consists of 25,000,000 common shares without par value.

	Price Per Share \$	Number of Shares	\$
Issued at September 30, 1990		4,539,905	2,043,756
Acquisition of J.H.F. mineral claims	0.20*	50,000	10,000
Exercise of stock options	0.24	79,479	19,075
	0.30	208,500	62,550
	0.35	357,500	125,125
	1.25	120,000	150,000
Employee bonus	0.50*	1,000	500
Private placements	0.64	1,175,000	752,000
Exercise of private placement warrants	0.64	1,175,000	752,000
Settlement agreement with Cominco Ltd.	3.25*	300,000	975,000
Option agreement with Cascade Investments Joint Venture	3.35*	10,000	33,500
		<u>3,476,479</u>	<u>2,879,750</u>
Issued at September 30, 1991		8,016,384	4,923,506
Exercise of stock options	0.35	10,000	3,500
	2.10	84,750	177,975
Settlement agreement with Cominco Ltd.	3.25*	700,000	2,275,000
Option agreement with Cascade Investments Joint Venture	3.35*	10,000	33,500
Flow-through share unit subscriptions (net of share issue costs)	10.00	389,400	3,688,294
Conversion of convertible promissory notes (net of share issue costs)	10.00	335,000	3,173,031
Agents' fees	10.00*	24,220	242,200
Exercise of warrants	10.00	256,805	2,568,050
Exercise of warrants for flow-through shares	10.00	164,400	1,644,000
		<u>1,974,575</u>	<u>13,805,550</u>
Issued at September 30, 1992		<u>9,990,959</u>	<u>18,729,056</u>

\*Value ascribed

Stock options are outstanding to employees and directors of the Company exercisable at prices representing fair market value at the time the options were granted, as follows: 117,000 shares exercisable at \$1.35 per share prior to January 20, 1993, 169,500 shares exercisable at \$2.10 per share prior to March 8, 1993 and 77,000 shares exercisable at \$11.79 per share prior to September 16, 1994.

Warrants are outstanding to purchase 102,415 shares exercisable at \$10.00 per share prior to October 16, 1992 and to purchase 225,000 flow-through shares exercisable at \$10.00 per share prior to October 16, 1992.

Refer to note 8.

## 8. SUBSEQUENT EVENTS

Stock options were exercised for 117,000 shares at a price of \$1.35 per share.

Warrants were exercised for 102,415 shares at \$10.00 per share and for 225,000 flow-through shares at \$10.00 per share.

## Corporate Information

### OFFICERS

Robert G. Hunter, *Chairman*  
Robert A. Dickinson, *President*  
Douglas B. Forster, *Secretary*

### DIRECTORS

Scott D. Cousens  
Robert A. Dickinson  
Douglas B. Forster  
Robert G. Hunter  
Aziz Shariff

### CORPORATE ADDRESS

1020-800 West Pender Street  
Vancouver, British Columbia  
Canada V6C 2V6  
Telephone: (604) 684-6365  
Facsimile: (604) 684-8092  
Toll Free: 1-800-667-2114

### SOLICITORS

Lang Michener  
Barristers & Solicitors  
2500-595 Burrard Street  
Vancouver, British Columbia  
Canada V7X 1L1

### AUDITORS

DeVisser & Company  
Chartered Accountants  
201-960 Richards Street  
Vancouver, British Columbia  
Canada V6B 3C1

### TRANSFER AGENT

Montreal Trust Company  
4th Floor, 510 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3B9

### BANK

Canadian Imperial Bank of Commerce  
400 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3A6

### TRADES

NASDAQ (TKOCF)  
Vancouver Stock Exchange (TKO.V)

### CAPITALIZATION (at January 15, 1993)

Common authorized	25,000,000
Issued	10,435,374
Fully Diluted	10,681,874

### ANNUAL MEETING

The Annual General Meeting of the Shareholders of Taseko Mines Limited will be held at 2:00 pm on March 22, 1993 in the Aspen Room at the Four Seasons Hotel, 791 West Georgia St., Vancouver, B.C.

### FOR FURTHER INFORMATION CONTACT:

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Corporate Communications*  
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Vancouver, British Columbia  
Canada V6C 2V6  
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# Gambling on Gold

*All the signals look right: The price is low, world events are uncertain and demand seems about to exceed supply. And yet, and yet . . .*

BY LAWRENCE MALKIN

Once again, people are talking about gold as an investment. Is this the time to buy? In large part the answer depends on how you feel about the future. A very close presidential election in November might heighten fears that a weak U.S. government will never be able to bring down the budget deficit, unnerving holders of stocks and bonds the world over. The governments of Russia and South Africa—

two of the biggest gold producers—could easily slide into instability, raising fears of a gold shortage. Providing a further springboard for these anxieties, the growth in the world's output of gold has slowed over the last five years, while demand has been increasing. All this means that now may be a good time to take a gamble on gold.

Certainly, the price is attractive. Gold dropped from its historic high of \$843 an ounce in 1980, sliding steadily (except for a brief blip upward to \$500 after the stock market crash of 1987) to

\$350 in 1989, where it has remained since, to the vast exasperation of goldbugs. Most people think the price is not likely to go much lower and will probably inch up, if anything.

The problem is that no one is quite sure just how to think about gold these days. Gone is the time

when all it took for the price to rise was uncertainty. The record high of \$843 was registered on January 21, 1980—a time when the world's financial markets, already spooked by inflation, were scared out of their wits by the Soviet invasion of Afghanistan. The difference is that now the price seems to be influenced by an increasingly complicated nexus of factors. Who would have thought that during the six-month buildup to the Gulf War—surely the decade's greatest trauma in the world's most unstable region—that the price would drop? Or that it would fall after last year's unsuccessful Soviet coup? But it did. What was a relatively simple gold cycle now seems to be driven by a combination of political anxiety, economic uncertainty and geological serendipity.

If you are looking to make a quick killing, gold is a very long shot. If you decide to plunge, follow the lead of prudent Europeans: They limit their investments in real gold and gold stocks to 5 percent of their portfolios for the simple reason that gold yields no interest. It is used to hedge other bets.

Practically no investment advisor who recommends gold is talking about jewelry, coins or gold bars. People who buy physical gold to protect their wealth live in disaster areas like what remains of Yugoslavia, or in the fledgling capitalist societies of China and parts of Southeast Asia, where governments can at any time renege on their promises of a free-market economy. The Chinese have therefore been buying gold jewelry to protect their wealth from arbitrary confiscation or political chaos. For them, even 22-karat quality is not good enough; they generally insist on buying *chuk kam*, or pure gold.

Balance this steady Asian demand for gold against the fact that even the Swiss are using gold less and less as a sound counterweight to political and financial chaos, protecting themselves instead with options, futures and other financial derivatives. In Saudi Arabia, where gold has traditionally been regarded as the ultimate haven, investors are now leaving more of their wealth in paper.

All this has been made possible by the determination of most Western governments to protect their currencies against inflation. During the 1970s, depreciating the currency was tolerated (and even encouraged) to hide the huge price increases for oil. The arrival of Paul Volcker as chairman of the Federal Reserve Board in 1979 changed all that. The Fed's policy of attacking inflation with high interest rates created government bonds that paid more than 10 percent. This is far more attractive than gold, which pays nothing. "I guess we fixed you goldbugs," Volcker told one of them, James E. Sinclair, in the mid-1980s, after his policies had begun to take effect. (Sinclair had already dumped gold.)

As a result, gold moved in the direction of being a simple commodity responding to the laws of supply and demand. The high price of gold in 1981 caused mines around the world to reopen or new ones to be dug, using the latest technology. Production in the West increased by 70 percent during the decade. Predictably, (Continued on page 62)



ILLUSTRATION BY CATHERINE KASNER

## GAMBLING ON GOLD

(Continued from page 56)

the new supply outstripped demand, and prices began to drop. Stewart Murray, chief executive of Gold Fields Mineral Services Ltd., reckons that about half the world's mines are unprofitable today. Some are closing down. That should cause prices to rise—eventually.

The most pressing question for gold investors is what has been happening in Russia—historically the producer of about 10 percent of the world's gold and supposed holder of enormous reserves. Here, the big news is that there is far less gold than anyone believed. Much had been sold off to help support the faltering regime of Mikhail Gorbachev. Last October, at the annual meeting of the International Monetary Fund, Grigory Yavlinsky, Gorbachev's economics whiz, told the I.M.F. that the central bank had only 240 tonnes left—about one year of average Soviet production, worth roughly \$2.7 billion. "That's all there is," he told reporters who had been fed estimates ranging from 800 to 3,000 tonnes by excitable traders and the Central Intelligence Agency. (A tonne is 1,000 kilograms, or 32,150 troy ounces, and at \$350 an ounce is worth \$11,252,850.)

It is said that members of the former Soviet Communist party have hidden at least \$4 billion worth of gold abroad to give the old *nomenklatura* a head start as the new Russia starts capitalist business. The story is unconfirmed, but if the Communist big shots had looted the reserves and wanted to cover their tracks, they would have had to shut up Nikolai Kruchina, the party's treasurer. He died six days after the aborted coup last August, supposedly by jumping from a window. Kruchina's 81-year-old predecessor is said to have died in the same way. All this interests Donald Jameson, a former C.I.A. researcher who follows the Soviet economy. Piecing the tale together, he says, "could be one of the last great spy stories."

Russian gold production is heading downward in any case. With the alluvial mines almost worked out, the gold industry, its workers and political overlords are squabbling about whether to bring in foreigners to teach them how to operate underground mines. Production will probably decline for several years to perhaps two-thirds of its former levels, says *Gold 1992* (one in a regular series put out by Gold Fields Mineral Services, and available for \$95 a year from Suite

240, 1112 Sixteenth Street, Washington, D.C. 20036).

South Africa last year accounted for 34 percent of the world's gold supply, and even the threat of a serious cut in its output would send prices flying. Some of its mines are high-cost producers; the average cash cost of digging up and refining an ounce of gold is \$300—dangerously close to the current market price. Even so, short of descending into total

*Most gold analysts agree that if the world becomes a more frightening place, the price could take off. What could cause such a boost? A close presidential election is one possible scenario.*

chaos, South Africa will stay in the gold business because exports of the metal provide 60 percent of the country's foreign exchange, and that is essential to whoever ends up running the country, white or black. The African National Congress has withdrawn its demand to nationalize the mines and is seeking to deal with the Anglo-American Corp., which owns many of them and pleads poverty because of low gold prices. The South African Miners Union, with 2 million members, would probably continue to work even in a civil war—perhaps under its nationalist leader, Cyril Ramaphosa, rather than the Oppenheimer family—since most mines are easily defended by troops. The pattern was set by the decade-long civil war in Angola, when Western companies nevertheless continued pumping oil and paying royalties to the Marxist government.

The rising cost of mining gold has slowed the growth of world production from 10 percent in 1988 to only 2 percent last year. And for the first time since 1983, total gold supply fell last year. In the meantime, industrial demand is rising, particularly for jewelry, which has had an annual growth rate of 13 percent over the past five years. Does this mean that the supply and demand curves will

inevitably cross and raise the gold price? Not necessarily, which is why economists call them curves and explain that they make prices elastic.

One reason that gold prices can never be as responsive to the market as those of an ordinary commodity is that the world's central banks hold a huge amount. Many seem ready to sell their gold reserves when the price rises. One that has not waited is the central Bank of Canada, which has sold more than 300 tonnes since 1980 on the theory that the money it makes from the sales is worth more than the metal. The Belgians sold off 200 tonnes this year, Germany quickly sold 22 tonnes it inherited from what was East Germany and other European central banks will have more than they need if Europe unifies behind a single currency. Even so, most central banks will not sell precipitously; together, they hold 35,000 tonnes in their reserves—about one-third of all the gold ever mined—and they have no interest in collapsing the price by dumping it on the market.

What all this means is that an investor in gold must juggle many imponderables before deciding to buy. For example, the Chinese are buying because they regard gold as cheap. But if prices rose, would they stop buying and simply sit on their hoards? That would only serve to bring prices down again. Higher prices could also be capped by private producers who have been profitless for several years and would rush to sell. And if Western central banks decide to satisfy their itch to profit from what seems to them a sterile asset, they will cooperate among themselves to feed gold into the market to keep its price steady and not reward speculators.

On balance, most gold analysts think that, in the near term, the price of gold is likely to rise slightly and then stay on a seesaw for a while. But they agree that if circumstances change and the world becomes a more frightening place, then the price could take off. What would cause such a boost? A political disaster, something more frightening than the Gulf War. Perhaps chaos in Russia or South Africa. Perhaps a close presidential election in the United States, leaving a president with no clear mandate to solve the nation's ills.

One of Wall Street's senior gold analysts, Bette Raptopoulas of Prudential Securities, Inc., says governments always want to keep the gold price stable be-

## GAMBLING ON GOLD

(Continued from page 62)

cause a sudden rise is a sign that they have lost control of their finances. Her worry is what happens to the U.S. dollar after the election: "Think of what George Bush faces if he gets back in. Just the debt alone: Will he know what to do about it? Will Bill Clinton? Financial markets hate uncertainty, and that's what we will have

no matter who is elected."

Gold, she hastens to add, is not for everyone because it fits "a catastrophe scenario." But if financial catastrophe undoes Paul Volcker's work toward restoring faith in paper money, a gamble on gold will pay off big, even if everything else is in ruins. ■

### GOLDEN OPPORTUNITIES

Unless you are buying gold because you expect Armageddon or, like Goldfinger, simply like watching it shine, you don't want to bother with gold bars. They are heavier than lead, pay no interest, cost money to store and, if Armageddon really is coming, won't be much use in the place we're all going. If it makes you feel secure to keep a few coins as mad money (or give them to children as birthday or graduation presents), buy those with an established trading value and low markup, such as Canadian Maple Leafs or South African Krugers. *Barron's* lists their price over the market value of their gold content, and the coin with the smallest spread is usually the one to buy.

The simplest way for a novice to buy gold is through a fund. The Franklin Gold Fund in San Mateo, California, (800-342-5236) has the best consistent record over the years—which right now adds up to a slight loss of 1 percent for the last five years, including reinvested dividends and sales charges. Like most other gold funds, it does not buy physical gold but invests mainly in stocks of recognized gold-mining companies, about 38 percent of them South African.

Franklin is part of a group. Most of the other major fund groups, such as Fidelity and Vanguard, also have reliable gold funds. It may be easier and cheaper simply to switch into the gold fund operated by your group if you already have some of your portfolio invested with one of the majors. (How much of your portfolio should be in gold? Most of the fund groups recommend no more than 5 percent.)

To tap into the age-old European expertise in using gold to escape feckless governments and their insistent tax collectors, the newsletter *Global Investing* recommends (and has bought for its own portfolio) Anchor Gold and Currency

Trust (802-748-2400). Brussels-based Paul Jaspard, Anchor's portfolio manager, oversees it. The managers of the closed-end fund are able to intervene on the market to maintain their share price at net asset value. About half of Anchor's holdings are in physical gold or bullion. The rest is in Treasury bills for quick action and North American mining stocks for long-range profits.

The main advantage of gold-mining stocks is that there are so few of them: The capitalization of the entire industry is no larger than IBM, so if everyone starts buying their stocks, their value will shoot up much faster than gold itself. Which raises the only objection to South African stocks—and it is not political. Many South African companies have been forced to commit their future production to banks or jewelry firms in exchange for cash during an era of falling prices, so it is not the mining companies but their lenders who will show quick profits if gold suddenly zooms.

Canada's American Barrick and such big American firms as Newmont and Homestake (all listed on the New York Stock Exchange) have made no such commitments, which puts them—and their stockholders—in a position to make a quick buck. Along with his investment partners, Sir James Goldsmith, the fabulously successful Anglo-French financial buccaneer, has owned 49 percent of Newmont for almost two years and is perfectly content to wait. While conceding his investment may seem idiosyncratic for someone who has made millions in food, supermarkets, tires and other consumer areas, he says, "I believe in gold. . . . The stable dollar, the high interest rates, the haven currency—that's gone." He made that remark about a year ago. What does he know that George Bush and Alan Greenspan don't? —L.M.



Kenneth J. Gerbino & Company

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# Institutional Research

For the Gold Mining Industry

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December, 1992

# Special Situation

Copper/Gold Growth Takeover Candidate

**Inside:**

P. 1 Taseko Mines  
Buy Out Candidate

P. 11 Gold Review

P.14 Screen Valuation

SPECIAL SITUATION - BUY RECOMMENDATION

December, 1992

TASEKO MINES LIMITED (TKOCF, OTC \$10 1/4)

Shares outstanding, fully diluted: 10,681,874  
(All figures are in U.S. dollars unless otherwise noted.)

HIGHLIGHTS:

- \*Taseko controls the 5th largest copper and gold deposit in the world and intends to sell it.
- \*Various valuation methods all point to a substantial price premium over the current stock price.
- \*The deposit contains 5.6 billion pounds of copper and 14.8 million ounces of gold also making it the 5th largest gold deposit in North America.
- \*The Taseko management team has an outstanding track record for developing and selling mining properties. They successfully developed and sold North American Metals (50% Golden Bear Mine) to Homestake for \$38 million and Continental Gold's Mt. Milligan property to Placer Dome for \$210 million.
- \*An expected world copper shortage in the next 2-4 years makes this property a major prize to more than 35 mining companies that are potential bidders on the property.
- \*With the U.S. money supply (M1) increasing over \$1 billion every 3 days for the past year it is only a matter of time before another bull market in gold materializes.

Taseko Mines is developing the largest copper-gold property in Canada and the fifth largest in the world. Management's stated intention is to continue engineering and development work on the property until the property can be sold to a major mining company. Thus far, they have done a commendable job of expanding reserves and moving the project forward. We expect the company to be bought out at substantially higher prices. This is a Strong Buy.

## BACKGROUND

Taseko owns the Fish Lake deposit which is located in south central British Columbia. The property had been lying dormant since the late 1970's. After six years of litigation between Taseko and Cominco, which had the current option on the property, the Hunter/Dickinson management team took over Taseko Mines in March 1991 and ended the litigation.

A deal with Cominco was concluded whereby Taseko had the exclusive right to control the property for 3 years, plus another year's option. If Taseko should sell the property or be taken over during this period, Taseko would pay Cominco a portion of the value reserved for the Project. The maximum Cominco can receive is \$48 million.

## RESERVES

When Taseko first took over the Fish Lake property, it had known reserves of 240 million tons containing 3.6 million oz. gold and 1 billion lbs. of copper. Since then they have expanded the mineral reserves of the deposit by approximately 450%. The company has completed over 180,000 feet of large diameter core drilling, which is substantial. Development costs to date are \$6.5 million.

At a cut-off grade\* of .3% Copper Equivalent\*\* (Cu) which is comparable for existing copper mines in British Columbia, Taseko now has 1.265 Billion tons at a grade of .23% Cu and .012 oz. per ton gold. The deposit contains 14.8 million oz. gold and 5.6 billion lbs. copper. This is a gigantic deposit.

To put this in perspective, the largest copper-gold project in the world is Bingham Canyon, Utah, containing 30 billion lbs. Cu equivalent. Taseko's Fish Lake property ranks fifth with roughly 11.9 billion lbs. Cu equivalent.\*\*

The Net Smelter Return shows the amount of cash flow realized per ton of ore after smelter costs. Looked at as a copper mine, Taseko ranks at the high end of profitability and compares very favorably with similar major copper projects in North America.

\*Cut-off grade: The grade (richness) of the ore below which any material is not included as containing mineral value. In other words, if there is an underground block of rock with only .25% copper it is not even included in calculating the copper content of the deposit.

\*\*This figure converts the value of gold reserves to a copper equivalent dollar value for comparison purposes.

### Copper Mine Comparison

<u>Mine name</u>	<u>Reserves</u> <u>Million tons</u>	<u>Cu-Equiv</u> <u>Grade</u>	<u>Est. Net</u> <u>Smelter Return</u> <u>\$U.S.</u> <u>per ton</u>
Valley Copper (Teck/Cominco)	760	0.42%	\$5.93
Morenci (Phelps Dodge)	1,316	0.51%	6.11
Ray (Asarco)	1,100	0.63%	8.25
La Caridad (Fomento Mexico)	1,000	0.47%	5.84
Fish Lake (Taseko)	1,265	0.52%	7.18

Looked at as a gold mine, Taseko has the 5th largest reserves of all North American companies and compares very favorably on a value basis.

Taseko's property will become one of the largest gold mines in the world. It follows that a major mining company that buys them will also vault into the top tier of world producers.

### Gold Mine Comparisons

<u>Company</u>	<u>Gold Reserves</u> <u>(Million Oz.)</u>	<u>Market Cap.</u> <u>(\$Millions)</u>	<u>Market Cap</u> <u>per</u> <u>Reserve Oz.</u>
American Barrick	24.4	\$4,156	\$170
Newmont Gold	20.1	3,501	174
Homestake	18.5	1,445	78
Placer Dome	18.3	2,577	141
Echo Bay	13.9	573	41
LAC Minerals	7.7	809	106
Taseko Mines	14.8	110	\$7

The sheer size of Taseko's gold reserves are important. The other mining companies shown here are in production and reporting proven and probable reserves. Taseko's reserves are drill indicated at present and will require further engineering work to develop a mining plan and identify proven/probable reserves.

Notice the low market cap per reserve ounce compared to the other companies. This valuation difference is because Taseko is not yet in production. It points out the value that these reserves could command when put into production by a major producer. Therefore we expect strong interest in the property from the major producers.



## MANAGEMENT

Unlike most mining companies which seek to discover, develop, construct and operate mines, Taseko management has chosen to focus only on the development of high quality properties. This is a niche in the mining industry.

Taseko Mines is run by a unique entrepreneurial team - the Hunter/Dickinson management group. This is a collection of very talented mining experts. They successfully developed and sold North American Metals' 50% ownership of Golden Bear Mine to Homestake for \$38 million and Continental Gold's Mt. Milligan deposit to Placer Dome for \$210 million. Both of these buyouts took place at over \$400 gold.

The Hunter/Dickinson team seeks out properties with large developmental and exploration potential. They invest their own money, and then do comprehensive geological and technical work including drilling out reserves, metallurgical studies, mine plans, engineering studies and beginning environmental work. This adds value to the property by expanding the known reserves and, basically, taking a lot of risk out of the project.

They then sell the property to a major mining company which has the financial clout to build the mine and the operating expertise to run it.

Replacing ore reserves is very important for major mining companies. Because mine lives are generally 10 years or less, if they don't replace their reserves, they're out of business. For whatever reason, most mining companies (except American Barrick, Newmont, and Freeport Copper) have been extremely inefficient at exploration. So a prize property like Fish Lake ought to be bid on by several majors.

### Fish Lake vs. Mt. Milligan

While much work remains to be done engineering-wise on Taseko, the data below shows a very favorable comparison to the gold/copper deposit at Mt. Milligan, which was purchased for \$210 million. Despite a lower gold price today, the relative sizes suggests Taseko would be bought out at a higher price.

Besides sheer size, which will allow for economies of scale of mining costs, the Fish Lake property has 70% less sulfide content. Lower sulfides means lower processing cost and little or no acid generation in tailings (waste rock) --- an expensive environmental problem. Also, the Work Index (a technical name for how much power and energy is needed to crush and grind the rock) is 50% less for Taseko. This means much lower milling costs for Taseko as well.

	Taseko <u>Fish Lake</u>	Continental Gold <u>Mt. Milligan</u>
Tons	1.2 Billion	425 Million
Copper %	.23%	.20%
Gold grade/oz.	.012	.013
Lbs. of copper	5.6 Billion	1.7 Billion
Ounces of gold	14.8 Million	5.5 Million
Buy-out price	?	\$210 million

### VALUATION

There are several methods of valuating this property.

#### COMPARABLE BUYOUTS OF RESERVES

Mineral reserves have different values depending upon metal prices and the degree of development. The greater the development, the lower the risk, and thus, the higher the value.

For gold, industry rule of thumb has been that drill-indicated reserves were worth \$20-25/reserve oz., proven and probable reserves were worth \$30-35/reserve oz., and mineable reserves were worth \$40-45/reserve oz. This was certainly true between \$375-\$425 gold. With gold being at the current depressed price, it might be argued that these measures should be discounted somewhat.

However, in November 1991 at roughly \$355 gold, Galactic sold its 48% stake in Ridgeway Gold Mine, for roughly \$50 per reserve oz. in cash and assumed debt for proven & probable reserves in production.

In September 1991, Amax Gold began the buyout of Fairbanks Gold at roughly \$355 gold. They paid roughly \$90 million in shares for 51% of 4.2 million proven & probable ounces with a prefeasibility study giving a value of \$42 per reserve oz. Amax Gold claimed they were valuing the property at 3.3 million oz. which would boost the per oz. figure to \$56.

In October 1992, MMC Resources acquired 25% of Dayton Mining's Andacollo Gold Project in Chile at roughly \$67 per mineable oz. at roughly \$340 gold. Dayton is still expanding their reserves which would lower MMC's total cost per reserve oz.

So these figures at current metal prices would suggest that industry guidelines are still in effect. That says that the buy out price of Taseko should be better than \$30 per reserve oz. and possibly better than \$40 per reserve ounce when these reserves are moved to the proven/probable category by further engineering work.

Going from drill indicated oz. to proven/probable involves developing a mine plan and outside engineering work. That always involves some shrinkage of reserves, since everything is not included in the pit design (i.e. some mineral inventory is left behind as you dig out the pit).

Going from proven/probable to mineable reserves means even more engineering work which creates an official and comprehensive engineering document called a full feasibility study which can be taken to the bank for financing.

A mineable reserve is the term for how much gold and copper can eventually be recovered. Using a .4% cut-off grade and allowing for shrinkage (meaning the loss of reserves outside the pit design and for non-economic material within the pit), I would estimate approximately 8 million ounces of gold in the mineable category. Considering the recent comparable sales, this property could command a \$40-\$50 per mineable oz. That translates into a \$320-\$400 million price tag, or \$25 - \$33 per share of Taseko.

Clearly, there is still uncertainty to be removed in ongoing engineering work, but just as clearly, there is a lot of upside to the current market cap as well.

As a copper or copper equivalent mine, we can use Placer Dome's recent agreement to buy 50% of the Zaldivar deposit in Chile for \$100 million. This property has 760 million tons at .62% Cu. This values the contained 4.7 billion lbs. copper reserves at 2.2 cents/lb. Cu.

Similarly, Minorco is buying Chevron's 1/3 stake in Chile's Collahuasi copper project for \$185 million. This values the estimated 18 billion lb. copper reserve at 3 cents/lb., but with additional reserve expansion expected which would lower the overall cost per pound.

A North American deposit should have a higher price per reserve pound for a political stability premium. For our comparison purposes, we will assume at least 2.5 cents per pound.

Fish Lake contains roughly 11.9 billion lbs. Cu equivalent (converting gold to copper). That would value the property at \$297 million (\$23.35 per share)\* with a feasibility study as a copper company. Obviously, better metal prices could bid this up.

\*After Cominco is paid off.

## NET PRESENT VALUE

At this stage of development, putting hard numbers on the Fish Lake project involves lots of assumptions and many scenarios. Nonetheless, a net present value analysis based on future expected cash flow is worth looking at.

At the time of the buy out the metal prices can make a significant difference. Sometimes, an average price over a long period of time can be used to smooth out cyclical metal prices.

Using an ultra high 15% discount rate (a high rate in the present interest rate environment), I determined the net present value of the cash flow of the deposit after debt repayment at different metal prices, assuming the buyer purchased the property with cash or shares and financed the rest with debt at 8%.

Since most mining companies evaluate the net present value on only the first ten years, I have presented both life of mine NPV and 10-year NPV.

Open pit mining is an earth moving game. The more dirt you move, the more efficiencies you can achieve. Before the recent drilling program, Taseko was engineering the project for a 66,000 ton per day operation. This scenario would produce roughly 240,000 oz. per year at a cost below \$180 per oz. including copper credits for roughly 100 million lbs. copper per year over 35 years of mine life. Capital costs were estimated at \$360 million.

With the expansion of reserves, it makes sense to increase the size of the project. A 100,000 ton per day operation would have a 25 year mine life and produce an average of 319,000 oz. gold and 148 million lbs. Cu per year with a cash cost of \$136 per oz. gold with copper credits. I estimate initial production would be in the neighborhood of 370,000 oz. gold and 157 million lbs. copper. It would require a capital cost of roughly \$450 million U.S. for the plant and infrastructure.

Here are the comparable NPV figures at various metal prices. Since major mining companies are mostly concerned with the 10-year NPV, I have included those as well:

Cu/Au price	<u>\$1.05/\$350</u>	<u>\$1.10/\$375</u>	<u>\$1.20/\$400</u>	<u>\$1.50/\$500</u>
100,000 Tons/Day				
Life of mine NPV	\$350 Mil	\$403 Mil	\$481 Mil	\$745 Mil
10-Yr NPV	\$293 Mil	\$338 Mil	\$404 Mil	\$627 Mil
Buy out price to shareholders on 10 year NPV only	\$22.90	\$27.15	\$33.35	\$54.20

### SHARE PRICE VALUATION

These property valuation methods give us a range of property values that depend upon the stage of development and metal prices. Taseko has approximately 10.7 million shares outstanding. Also, Cominco will receive \$48 million per their original deal. Here is what the buyout prices mean to Taseko shareholders.

Buy-out Value	-	Less Cominco share	=	Price/TKO share
\$200 Mil	-	\$48	=	\$14 3/16
\$250 Mil	-	\$48	=	\$18 7/8
\$300 Mil	-	\$48	=	\$23 1/2
\$350 Mil	-	\$48	=	\$28 1/4
\$400 Mil	-	\$48	=	\$32 7/8
\$450 Mil	-	\$48	=	\$37 1/5
\$500 Mil	-	\$48	=	\$42 1/4

### BUY-OUT SUMMARY TABLE

Our different buyout scenarios, then, translate into these share prices:

Cu/Au price	<u>\$1.05/\$350</u>	<u>\$1.10/\$375</u>	<u>\$1.20/\$400</u>	<u>\$1.50/\$500</u>
100,000 TPD 10-year NPV	\$22.90	\$27.15	\$33.35	\$54.20
14.8 million oz Drill Indicated Reserves @ \$20/oz.	\$23.20	\$23.20	\$23.20	N/A*
11 million oz. Proven/Probable @ \$30/oz.	\$26.40	\$26.40	\$26.40	N/A*
8.5 million oz. Mineable @ \$45/oz.	\$31.25	\$31.25	\$31.25	N/A*
2.5 cents per Copper Equivalent Pound	\$23.35	\$23.35	\$23.35	N/A*

\*At \$500 gold and \$1.50 copper, the valuation would be much higher.

## COPPER - THE ROARING '90s

Copper is an investment idea for the '90s. For the past 70 years, world copper consumption has mirrored industrial production. Industrial production is now increasing dramatically because various regions of the world are shifting from an agricultural economy to an industrial economy. As more and more agricultural populations get involved in the industrialization process of the world the need for copper will increase.

Because of the vast size of the populations in China, USSR, Eastern Europe and the Pacific Rim (3.2 billion people), copper usage can increase dramatically with only a small advancement of industry. This is one of the reasons why we are very bullish on copper for the '90s.

Annual per capita demand (consumption) for copper has basically been 10 pounds per person since 1968. The key age group for this demand is the population over 20. There were 1 billion children born in the decade between 1972 and 1982. Therefore, the population in the world of people over 20 years old will increase by over 1 billion people between 1992 and the year 2002. If the demand for copper continues at 10 pounds per person, the result will be an increase in demand of at least 10 billion pounds per year by the year 2002. To give you an idea of how significant this is, world mine production is currently only about 22 billion lbs. a year and many mines are running out of ore.

In addition, a much larger portion of the new billion population group (as well as the population in general) will be involved in industrialization (because of the fall of communism) and these numbers, at best, are very conservative. Therefore, the growth in copper consumption could outstrip the supply by a significant amount. The bottom line is there isn't going to be enough copper to go around.

Also, copper inventories are currently at historic lows, and if there is even any kind of a slight recovery from our recession, or if the Europeans come out of a recession, demand is going to pick up briskly.

We are bullish on copper companies and combining them with a gold deposit is probably the best of both worlds.

Many analysts feel that a major imbalance of supply and demand is going to take place within 18 months. Copper companies are aware of this and this will be in Taseko's favor when the bidding starts. Also, by the year 2000 there will only be two open pit copper mines in British Columbia (Gibraltar and Valley) that will not have closed because of the depletion of ore reserves. So this makes Taseko quite a plum for a major Canadian mining company.

## SUMMARY

There is no way to predict when a buyout might occur on Taseko. But the size of the deposit alone commands attention. This property gives you a world class copper deposit and a world class gold property all in one. Meanwhile, you have a quality management team that will continue to add value while you wait.

From the Buy-Out Summary Table, we can infer that the longer a buyout takes, the more developmental work is completed. This raises the value of the property.

I would expect a buyout at least in the range of \$250 to \$300 million on any near-term offer. I would expect proven/probable reserves to be delineated within 6 months. This would increase my buyout target to \$300 to \$400 million. Completion of a full engineering feasibility study providing mineable reserves would be one to two years away, but depending upon metals prices, could command better than a \$400 million price tag.

This is an excellent special situation that also has prospects for more appreciation from any metals price improvement.

The stock at these levels is a strong buy.

Bill Moon  
Analyst

## GOLD REVIEW:

Gold is currently trading around \$335 per ounce. The London Mining Journal estimates 40% of world gold production is uneconomic below \$350. Clearly a sustained price at these levels would create massive mine shut downs and a curtailment of a substantial amount of supply. Already many mine closings have taken place in South Africa and North America. Our opinion is that eventually, the curtailment of supply as well as the record amount of fabrication demand (jewelry) coupled with the extraordinary monetary increases in the U.S. (M1 is up 14% in the past 12 months), will create a sustained bull market in bullion and gold shares.

Gold is generally considered a hedge for inflation and political and financial chaos. As such, it is the money of last resort. In recent years, with inflation declining to a moderate 3 1/2%, a lingering recession and the end of the Cold War, gold has drifted lower and lower with little investor interest.

Generally, gold responds with inflation rates above 6%. With the world in recession, we won't see that for some months yet. But with the Fed pumping the M1 money supply by 14%, inflation will surely return at some point. The banks currently face a regulatory problem and poor balance sheets. When banks have set aside enough reserves to cover bad loans in commercial real estate and have repaired their balance sheets, they will make loans again. Then, the increase in money supply will increase further, working its way through the system, bringing inflation with it. As long as governments can and do print money to handle their budgetary problems, inflation will be with us. It is just a matter of time.

Meanwhile, long term supply/demand factors are working steadily in gold's favor. Because of the maturing of existing gold producers, low current metals prices and falling exploration expenditures over the past few years, world gold mine output should peak out this year and begin declining in 1993.

At the same time, jewelry demand continues to grow. Gold use in jewelry has exceeded mine production for the past 3 years and is growing steadily (see table below). Gold has been historically popular in the Far East, and gold sales have grown rapidly with the economic development of that region. In the industrialized world, more and more women are in the work force and buying their own jewelry. Jewelry demand has grown despite the recent recession.



Continuing growth in jewelry sales and peaking/falling world mine output will put steady upward pressure on the gold price. As can be seen below, a 329 metric tonne shortfall in 1991 was the third year in a row where fabrication demand outpaced mine production. 1992's shortfall is expected to top 400 tonnes. Continued shortfalls will eventually set the stage for a higher metal price.

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Mine Production (metric tonnes)	1294	1381	1547	1677	1744	1782
Jewelry Fabrication (metric tonnes)	1168	1215	1532	1907	2037	2111
Surplus/(Shortfall)	126	166	15	(230)	(293)	(329)

Source: Gold Fields Mineral Services Ltd.

The swing factors in the gold price have been investor and central bank sales. Over the past few years, Russia's central bank has been a distressed seller, disposing of their gold reserves to earn hard currency in order to buy necessities. Now they have run out, except for current production. As their economy stagnates, their gold production will be reduced dramatically because of deteriorating infrastructure, lack of spare parts and cost increases due to a 700% internal inflation rate.

Just before the French vote on Maastricht, we saw some potential for gold. Gold jumped roughly \$10 an ounce on the idea that France might reject Maastricht and the idea of a United Europe. The Danish rejection and weak French referendum has jeopardized the European Exchange Rate Mechanism (ERM). The ERM looks, at best, tenuous and Europe could be back to floating exchange rates soon. The last time major fixed rate currencies became floating currencies was in 1971. What followed was a major bull cycle of gold because in such circumstances gold becomes a viable alternative currency.

There is just too much paper money floating around today coupled with excessive amounts of government debt globally. Therefore, we expect a gold advance to be just around the corner. Gold functions as an excellent hedge against inflation because of its "store of value" property. But gold is also a debt default or massive deflation hedge as well. If debt is defaulted - financial assets underlying the debt disappears, thus creating a vacuum. In this scenario gold functions as an alternative currency or medium of exchange.

For example, the current basic U.S. money supply (M1 - cash plus checking account deposits) is approximately \$1 trillion. But actual currency (dollar bills) in circulation is only \$289 billion. The difference of \$711 billion has no existence in any exchangeable form (coin or paper or gold). Therefore, a so called debt collapse or financial meltdown would create a default or actual disappearance of this portion of the money supply. This fear of the banking system is why Homestake Mining went from \$27 in 1928 to \$575 in 1935 during our last major debt collapse.

If this scenario would start to materialize, people would exchange their checking account money for gold as an alternative. A scenario such as this would be avoided at all costs by the authorities but their only alternative to this would be to print money and that would depreciate the current monetary base, thus eventually creating inflation and gold would rise in response to this as well.

It is better to be too early than too late when gold investments are being considered. We consider the present an opportune time to invest in gold and mining shares.

Note:

Kenneth J. Gerbino & Company, as investment counselors, have filed a 13D on Taseko Mines since their ownership on behalf of its clients exceeds 5% of the outstanding shares. Information presented here is based upon sources we consider reliable, but its accuracy is not guaranteed. This information is not intended nor should it be relied upon as a complete record or analysis; neither is it an offer nor a solicitation of an offer to sell or buy any security mentioned herein. Kenneth J. Gerbino & Co., their officers, employees, associates and clients may have a position in any security discussed herein or in related securities and may make, from time to time, purchases or sales thereof in the open market or otherwise. The information and expressions of opinion contained herein are subject to change without further notice.

Our computer model tracks 75 gold mining companies, including developmental stage, junior and major producers. We evaluate 70 separate quantitative parameters leading up to a model value. This allows groupings of similar companies to obtain meaningful comparative valuations.

Below are only some of the methods used to rank gold mining stocks. Ranking by various methods gives different valuations. The mining companies below are ranked by size of gold production. A qualitative analysis is also necessary to add to the quantitative. Each issue will attempt to present various guidelines for a proper evaluation of the various companies.

#### Major Gold Mining Companies

Company	Price	Shares (Mil)	Market Cap (Mil)	Est. 1992 Output (000's)	Mkt Cap/ oz. output	Reserve Oz.(Mil)	Mkt Cap/ Reserve Oz.	Mine Life (Years)
Placer Dome	\$10 7/8	237	2577	1900	1080	18.3	141	10
Homestake	\$10 5/8	136	1445	1765	889	18.5	78	11
Newmont Gold	\$33 3/8	105	3501	1600	2049	20.1	174	12
Newmont Mining	\$39	69	2681	1465	1749	19.1	140	12
Amer. Barrick	\$29 1/8	143	4156	1200	3590	24.4	170	17
LAC Minerals	\$ 5 1/2	147	809	1100	601	7.7	106	7
Echo Bay	\$ 4 11/16	122	573	800	850	13.9	41	16
Freeport Copper	\$20	193	3865	600	7252	32.4	119	32
Hemlo Gold	\$ 6 1/8	97	591	475	1063	5.7	104	12
Battle Mtn	\$ 5	80	400	430	1335	7.1	56	14
Pegasus Gold	\$14	31	438	410	916	4.0	109	6
Amax Gold	\$ 8 7/8	77	684	290	2946	8.7	79	11

## Taseko Mines Limited

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October 19, 1992

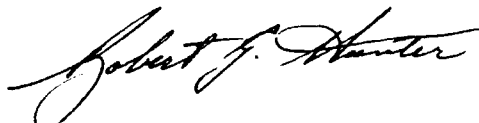
### TASEKO WARRANTS EXERCISED TO RAISE AN ADDITIONAL \$7.24 MILLION

Robert G. Hunter, Chairman of Taseko Mines Limited (VSE-TKO.V:NASDAQ-TKO.CF) is pleased to announce that 724,000 outstanding share purchase warrants with an October 19, 1992 expiry date have been fully exercised; raising an additional \$7,240,000. The Company now has a current working capital position of over 8.5 million dollars.

Taseko Mines Limited has 10,681,874 common shares issued and outstanding on a fully diluted basis, with shareholders in Canada, United States and Europe. Common shares trade on NASDAQ in the United States and on the Vancouver Stock Exchange.

On October 8, 1992 Taseko Mines Limited announced a preliminary mineral reserve estimate for its Fish Lake copper-gold deposit of 1,191,000,000 tons containing 5.4 billion pounds of copper and 14.3 million ounces of gold; or 510 pounds copper and 1.3 ounces gold per Taseko common share. The Company has proven the Fish Lake deposit to be Canada's largest undeveloped bulk tonnage metal resource. Drilling is continuing and feasibility engineering studies have commenced for large scale, low cost open-pit mine development.

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.

## Taseko Mines Limited

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October 8, 1992

### TASEKO MINES - REBUILDING CANADA'S MINERAL INVENTORY

Robert G. Hunter, Chairman of Taseko Mines Limited (NASDAQ-TKO.CF; VSE-TKO.V) is very pleased to announce that a preliminary mineral reserve estimate has been calculated for the Fish Lake copper-gold deposit, southern British Columbia. The preliminary mineral reserve estimate is 1,191,000,000 tons containing 5.4 billion pounds of copper and 14.3 million ounces of gold. These results equate to 506 pounds copper and 1.3 ounces gold per Taseko common share. The Company has now proven the Fish Lake deposit to be Canada's largest undeveloped bulk tonnage metal resource.

The preliminary mineral reserve estimate is based on systematic grid drilling on 330 foot centres of 95 large diameter diamond drill holes. The deposit currently measures 4500 feet east-west, 2800 feet north-south and remains open to the west. Drilling is continuing with rigs currently drilling holes 117 and 118. It is expected that the additional 23 + holes when completed, compiled and added to the data base will upgrade and increase the current mineral reserve. The current mineral reserve estimate for the Fish Lake copper-gold deposit is listed below at industry standard cut-off grades.

FISH LAKE DEPOSIT - PRELIMINARY MINERAL RESERVE ESTIMATE <sup>1</sup>							
Cut-Off	Reserve	Grade				Contained Metal	
Cu-Equiv <sup>2</sup> %	Million Tons	Cu %	Au oz/ton	Cu.Equiv <sup>2</sup> %	NSR <sup>3</sup> C \$/Ton	Copper Billion Pounds	Gold Million Ounces
0.30	1,191	0.23	0.012	0.52	8.86	5.4	14.3
0.40	950	0.26	0.013	0.59	10.01	4.8	12.4
0.50	729	0.28	0.015	0.64	10.78	4.1	10.9

Notes:

1. Reserve calculation parameters: 95 drill holes, 75 metre radii polygons, specific gravity 2.70 gr/cm<sup>3</sup>, 20 metre bench composites, high gold assays cut.
2. Copper equivalent is the grade of a copper only ore that will return the same amount of cash from a smelter as a co-product copper and gold ore.
3. Net Smelter Return; metal prices: Cu U.S. \$1.15, Au U.S. \$350; Exchange US \$0.81; concentrate grade 23%.

Due to the very successful drilling results, Taseko Mines is accelerating its feasibility, engineering and permitting programs for large scale, low cost open-pit mine development at Fish Lake. A component of this program will be the determination of mineable reserves for an optimal open-pit mine plan and mining schedule. This feasibility-level program will be fast-tracked, with news being released as it becomes available.

As an indication of the significance of the Fish Lake deposit, the preliminary mineral reserve can be compared to British Columbia's major open pit mines, North America's long life, open-pit copper mines and the reserves of major North American gold owners.

Fish Lake deposit reserves substantially exceed start-up reserves of British Columbia's well known open-pit mines. By the year 2000 it is forecast that all but two B.C. open-pit mines (Gibraltar and Valley) will have closed due to depletion of ore reserves. The demand for new B.C. open-pit mineral production is exceptionally high.

BRITISH COLUMBIA OPEN-PIT MINES REPORTED RESERVES AT START-UP									
Mine	Reserve <sup>1</sup>		Mill Rate	Grade			Recovery		Estimated NSR <sup>2</sup>
Name	Million Tons	Cut-off Cu%	Million Tons/Yr.	Cu %	Au oz/ton	Mo %	Copper %	Gold %	C\$/ton
Bell	128	0.30	6.0	0.48	0.010	-	82	45	8.78
Brenda	175	0.30	12.0	0.18	-	0.049	89	-	4.71
<b>Fish Lake</b>	<b>1,191</b>	<b>0.30<sup>3</sup></b>	<b>Under Study</b>	<b>0.23</b>	<b>0.012</b>	<b>-</b>	<b>88</b>	<b>77</b>	<b>8.86</b>
Gibraltar	360	0.25	14.0	0.37	-	0.008	85	-	6.12
Island	282	0.30	18.0	0.52	0.006	0.017	85	55	10.19
Similco	60	0.30	7.0	0.53	0.005	-	76	40	8.18
Valley	870	0.30	50.0	0.48	-	0.007	86	-	8.33

Notes:

1. Source CIM Special Volume 15.
2. Net Smelter Return; metal prices: Cu US \$1.15, Au US \$350, Mo US \$2.20; Exchange U.S. \$0.81.
3. Copper equivalent.

The Fish Lake deposit has many similarities to North America's leading open-pit copper mines in terms of its mineability and metal recovery characteristics. However, unlike single product copper mines, Fish Lake, upon commercial production, would provide from one mine, world-class, co-product production of both copper and gold. Fish Lake's product, a conventional copper concentrate with gold would have a value that will compare favourably with North America's quality, open-pit copper mines; some of the most significant of which are listed below for comparative purposes.

COMPARATIVE OPEN-PIT COPPER MINE STATISTICS									
Owner	Mine	Location	Mill Rate	Reserve	Cut-Off Grade	Strip Ratio	Grade <sup>2</sup>	Cu Rec.	Est. NSR
Name	Name	Name	Million Tons/Yr	Million Tons	Cu%	Waste Ore	Cu%	%	\$/Ton
Teck-Rio-Com.	Valley	B.C.	50	760	0.30	0.9:1	0.42	86	7.32
Phelps Dodge	Morenci	Arizona	43	1,316 <sup>1</sup>	0.30	2.5:1	0.51	79	7.54
Fomento Mexico	LaCaridad	Mexico	32	1,000	0.30	1:1	0.47	79	7.21
Asarco	Ray	Arizona	22	1,100	0.30	2:1	0.63	85	10.18
Asarco	Mission	Arizona	22	585	0.30	2.5:1	0.67	85	10.97
Phelps Dodge	Chino	New Mexico	18	309 <sup>1</sup>	0.30	3:1	0.55	83	8.38
<b>Taseko</b>	<b>Fish Lake</b>	<b>B.C.</b>	<b>Under Study</b>	<b>1,191</b>	<b>0.30<sup>3</sup></b>	<b>low</b>	<b>0.52<sup>3</sup></b>	<b>88</b>	<b>8.86</b>

Notes:

1. Combined milling and leaching ores; Source - Yorkton Securities.
2. These copper mines have minor by-product credits varying from 1 to 10 cents per pound of recoverable copper.
3. Copper equivalent is the grade of a copper only ore that will return the same amount of cash from a smelter as a co-product copper and gold ore. Metal Prices: Cu US \$1.15; Au US \$350; Exchange U.S. \$0.81.

Based on the Fish Lake deposit's massive gold reserves alone, Taseko Mines is among the most significant owners of gold in North America.

A SELECTION OF NORTH AMERICAN GOLD COMPANIES			
Company	Gold Reserves	Shares Issued	Market Capitalization
Name	Million Ounces	Millions	C \$ (000,000)
Homestake	18.6	136.7	2324
Placer Dome	16.8	236.7	3461
<b>Taseko</b>	<b>14.3</b>	<b>10.7</b>	<b>160</b>
Echo Bay	12.5	105.1	775
Lac Minerals	7.6	146.9	1212
Hemlo Gold	5.8	96.6	918

Taseko Mines Limited has a current working capital position of \$6.2 million and has 10,681,874 shares outstanding on a fully diluted basis.

ON BEHALF OF THE BOARD



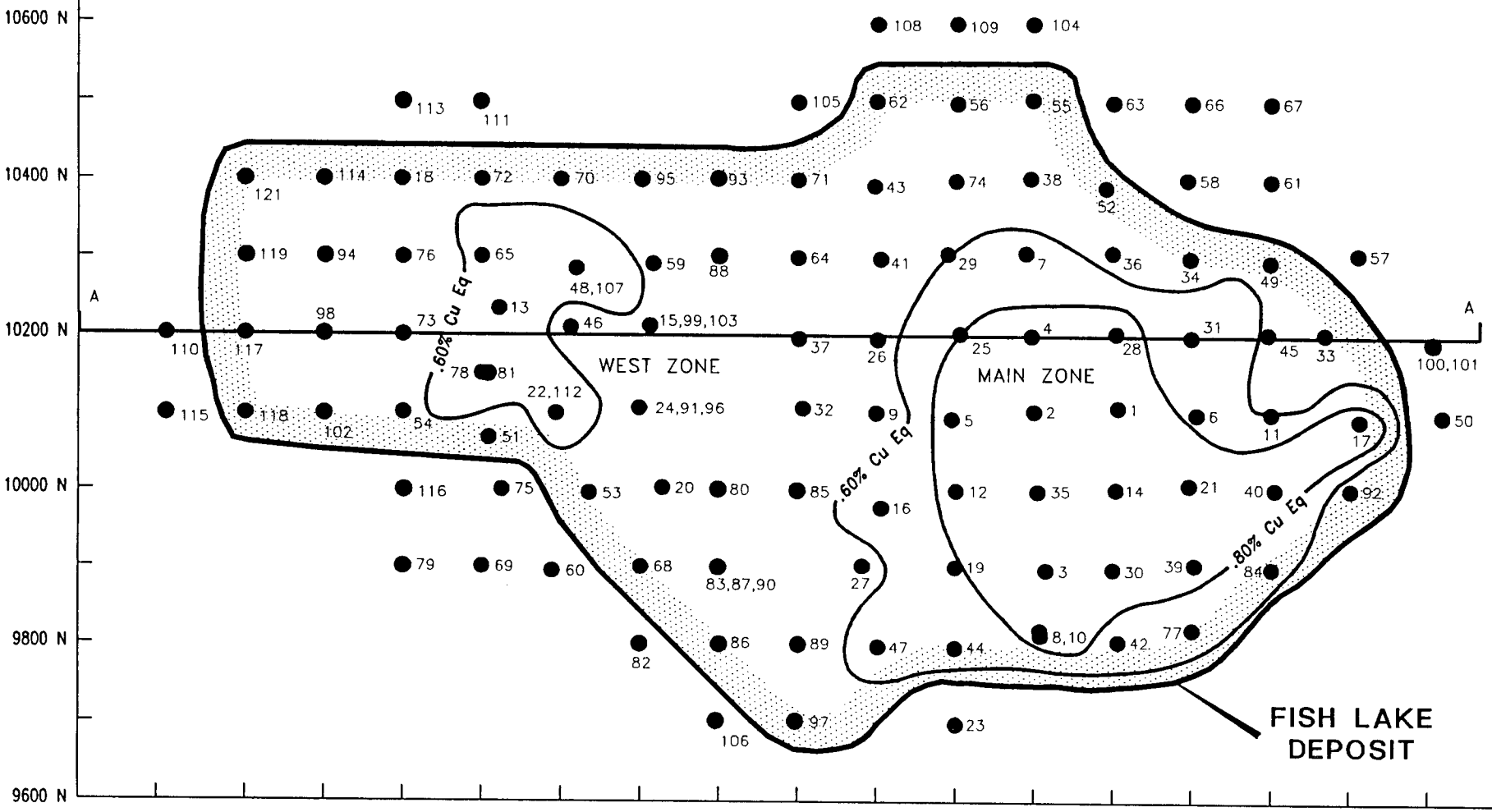
Robert G. Hunter  
Chairman

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

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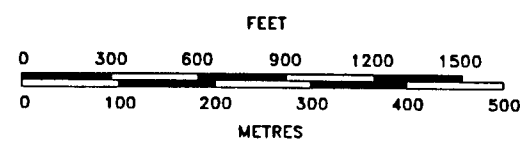


4800 feet



DRILLHOLE LEGEND

- DRILL HOLE
- > .40% Cu EQUIVALENT



**TASEKO MINES LIMITED**  
**DIAMOND DRILL HOLE PLAN**





# Goepel Shields & Partners

# i n s i g h t

## Mining UPDATE

June 10, 1992

### *Deposit Length*

.....  
*Increased by*  
.....

*Over 140%*

RECOMMENDATION:  
SPECULATIVE BUY

ALAN FERRY, CFA  
Toronto (416) 594-1000

## 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.

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## Taseko Mines Limited

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**MAY 7, 1991**

### 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.

The Agreement gives Taseko the exclusive right to control the Property for the next four years and to sell the Fish Lake Project either through an outright sale of the claims or a successful take-over bid for Taseko. Should either of these two methods of sale occur, Taseko and Cominco will divide the Project's Value. The maximum percentage of the Project's Value that Cominco will receive is 40%. If the Project's Value exceeds \$120 million (\$12 per contained ounce of gold), Cominco will be capped at \$48 million. The Table below shows several examples of how the Project's Value will be allocated between Taseko and Cominco in the event of a successful takeover bid for Taseko Mines Limited (8.83 million shares fully diluted).

BUYER TAKES OVER TASEKO MINES LIMITED						
PROJECT'S VALUE BUYER'S TOTAL COST		COMINCO RECEIVES FROM BUYER	TASEKO SHAREHOLDERS RECEIVE TAKE-OVER BID FROM BUYER		PERCENT OF PROJECT	
\$ MILLIONS	\$ PER CONTAINED OZ OF GOLD	\$ MILLIONS	\$ MILLIONS	\$ PER SHARE	COMINCO %	TASEKO %
120	12	48	72	8	40	60
150	15	48	102	12	32	68
180	18	48	132	15	27	73
270	27	48	222	25	18	82
360	36	48	312	35	13	87

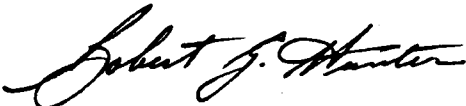
Taseko has also agreed to issue up to 1,000,000 of its common shares to Cominco on the following basis:

- a) 300,000 shares on May 31, 1991;
- b) 300,000 shares on November 31, 1991;
- c) an additional 400,000 shares on July 31, 1992 unless Taseko has either 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, 1995 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 profit interest in the Property. In addition, Cominco granted Taseko, for a 2.5 year period following May 31, 1995, the right of first refusal on any proposed sale of the Property by Cominco.

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.

## Taseko Mines Limited

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**MARCH 25, 1992**

### TASEKO BEGINS TRADING ON NASDAQ WITH SYMBOL TKO:CF

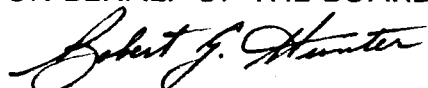
Robert G. Hunter, Chairman of Taseko Mines Limited (TKO:V; TKO:CF) is pleased to announce that common shares of the Company commenced trading through the NASDAQ regular market system Wednesday, March 25, 1992. The Company's trading symbol on NASDAQ is "TKO:CF". Market makers for the Company are:

- Herzog, Heine, Geduld, Inc.
- Kober Financial Corp.
- Mayer & Schweitzer Inc.
- MacAllister Pitfield MacKay
- Nash Weiss/Div of Shatkin Inv
- Oppenheimer & Co., Inc.
- Rauscher Pierce Refsnes, Inc.
- Richardson Greenshields
- Shearson Lehman Brothers Inc.
- Smith New Court/Carl Marks
- Sherwood Securities Corp.
- Troster Singer Corp.

Taseko Mines has received all funds from its recently announced \$7.24 million private placement financing consisting of Convertible Notes and Flow-Through Units. The Company will now close on \$3,350,000 of Convertible Notes and expects to close the \$3,894,000 Flow-Through portion of the placement on or before April 30, 1992. Securities issued are being qualified for resale pursuant to a prospectus which is being filed with the regulatory authorities in British Columbia and Alberta.

Drilling has commenced at the Fish Lake Project. Three diamond drill rigs have started to delineate the ultimate size of the Fish Lake gold-copper deposit with three verticle holes already completed to depths of up to 2640 feet. One hole has been completed 1600 feet west of the initial 600 million ton reserve block, another 330 east of the initial reserve block and a third within the initial reserve block. All holes intersected visual copper mineralization, and drilling is continuing. The Company is considering moving additional drills to site. Assay results will be released as they become available.

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.

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DEAR INVESTOR,

### TASEKO - REBUILDING CANADA'S MINERAL INVENTORY

Taseko Mines Limited's objective is to maximize shareholder value from its giant Fish Lake gold-copper deposit, in central British Columbia, Canada.

In May, 1991 Taseko Mines and Cominco Ltd. concluded a settlement agreement that resolved six years of litigation and inactivity on the project. Now controlled by Taseko Mines, the Fish Lake deposit ranks among the world's largest undeveloped gold-copper resources and is North America's most important development stage mining project.

Taseko Mines Limited is managed by a team of mining professionals with a proven track record which includes building North American Metals Corp. and Continental Gold Corp. to the point where successful takeover offers totalling \$222 million were made to shareholders. This same management team is firmly committed to making Taseko Mines another outstanding success.

Taseko Mines Limited has 10,681,874 common shares issued and outstanding on a fully diluted basis, with shareholders in Canada, United States and Europe. Common shares trade on NASDAQ (TKO:VF) in the United States and on the Vancouver Stock Exchange (TKO.V).

With an exceptional project, an experienced management team and a strong financial base, Taseko Mines Limited is focused to reward shareholders with strong corporate growth.

If you have any questions or if you require further information please contact Scott D. Cousens, Director of Corporate Communications, or any other member of the TKO team.

Yours truly,

**TASEKO MINES LIMITED**



Robert G. Hunter  
Chairman



Robert A. Dickinson  
President