

Taseko Mines Limited

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FISH LAKE
860945

MAY 7, 1991

NEWS RELEASE

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

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

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

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

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

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

TABLE I

FISH LAKE PROJECT VALUE

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

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

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

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

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

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

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

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

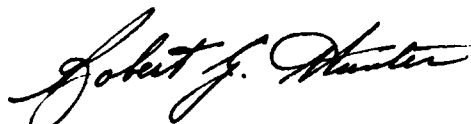
Table II summarizes mineable - diluted reserves for the Fish Lake deposit and shows a favourable comparison with published reserves at Mt. Milligan prior to Placer Dome Inc.'s successful \$258 million take-over bid.

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

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

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

ON BEHALF OF THE BOARD



Robert G. Hunter
Chairman

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

Taseko Mines Limited

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DEAR INVESTOR

TASEKO TAKES CONTROL OF GIANT GOLD-COPPER DEPOSIT

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

Taseko Mines and Cominco Ltd. recently concluded a settlement agreement that resolves 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, with mineable reserves containing in excess of five million ounces of gold and two billion pounds of copper. This giant deposit is ideally suited for large scale, low-cost, open pit mine development.

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 takeover offers totalling \$222 million were made to shareholders.

In 1988, Homestake Mining Company offered North American Metals' shareholders \$40 million (\$5 per share) for their 50% interest in the Golden Bear Project, British Columbia.

In 1990, Placer Dome Inc. offered \$182 million (\$20 per share) to shareholders of Continental Gold for their 70% interest in the massive Mt. Milligan gold-copper project, British Columbia. Placer Dome's takeover offer was the spectacular culmination of a two year period of rapid corporate growth during which Continental Gold shares increased in price from \$2 to \$20. The Mt. Milligan open pit project (6.6 million ounces of gold and 2 billion pounds of copper) will be the second largest metal mine in Canada and will create over \$5 billion of new wealth.

Having recently gained control of Taseko Mines, this same management team is firmly committed to making the Company another outstanding success.

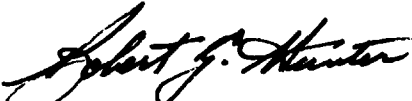
With an outstanding project, an experienced management team and a strong financial base, Taseko Mines Limited is focused to reward shareholders with spectacular corporate growth.


.../2

If you have any questions or if you require further information please contact Mr. Walter Schmid, Manager - Investor Relations or any other member of the TKO team.

Yours truly,

TASEKO MINES LIMITED


Robert G. Hunter
Chairman


Robert A. Dickinson
President

Taseko Controls

.....

Next Mt. Milligan After

.....

Cominco Settlement

ALAN FERRY, CFA

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

RECOMMENDATION: BUY

TASEKO MINES LIMITED (TKO, \$4.05)

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

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

We strongly recommend purchase of Taseko shares for speculative accounts.

Favourable Location

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

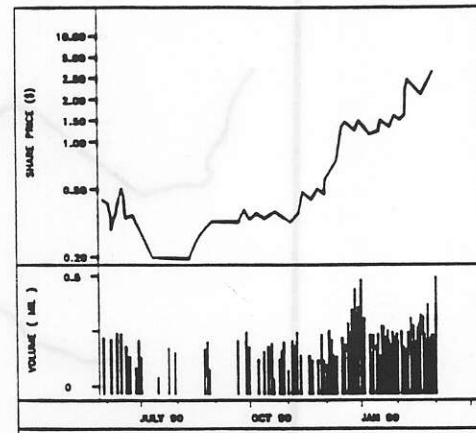


Chart courtesy of Taseko Mines Limited

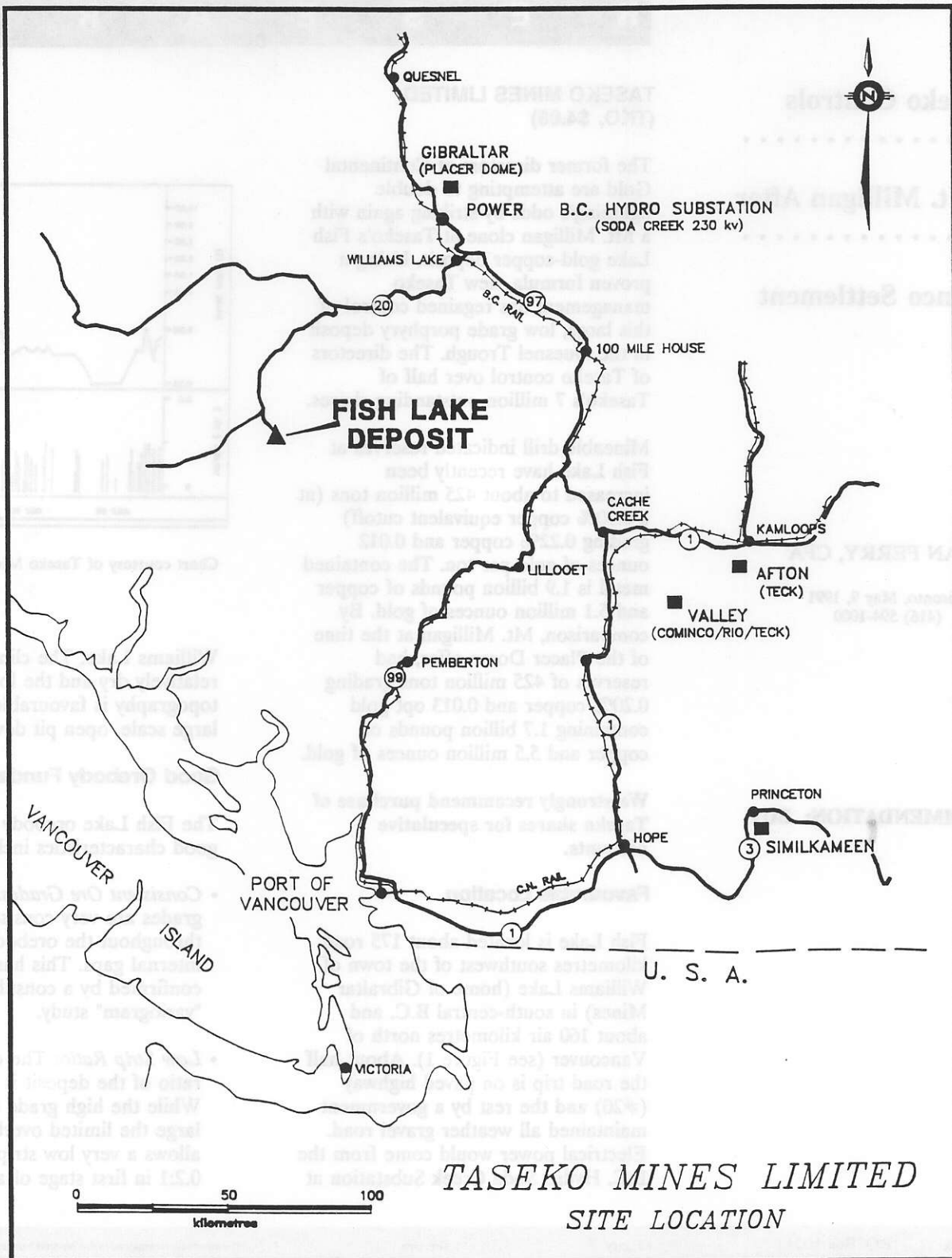
Williams Lake. The climate is relatively dry and the local topography is favourable for a large scale, open pit development.

Good Orebody Fundamentals

The Fish Lake orebody has very good characteristics including:

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

Figure 1



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

- **Reserves Open:** Ore reserves of 425 million tons are calculated within a final open pit that is about 1300 metres in diameter and 600 metres deep and are supported by 100 drill holes totalling 20,000 metres of cored drilling. The reserves are open to depth and to the north and west. About 65% of these reserves are drill indicated. The remainder are drill-inferred and require additional drilling to be upgraded to the "indicated" category.
- **Low Work Index:** The work index is a measure of the hardness of the ore. The significance of the number is the amount of grinding and therefore the amount of electricity required to process ore. Fish Lake ore has a work index of 13 to 14. Taseko management is of the view that Fish Lake's relatively soft ore (low work index) will have a significant positive impact on capital and operating costs.
- **Environmentally Acceptable:** The low sulfide content of the Fish Lake ore (about 1% to 2%), plus the presence of acid neutralizing minerals (gypsum and calcite) within the deposit suggest that acid generation will not be a problem at Fish Lake.

Preliminary Economics Very Encouraging

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

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

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

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

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

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

Taseko Inexpensive When Compared To Continental Gold

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

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

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

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

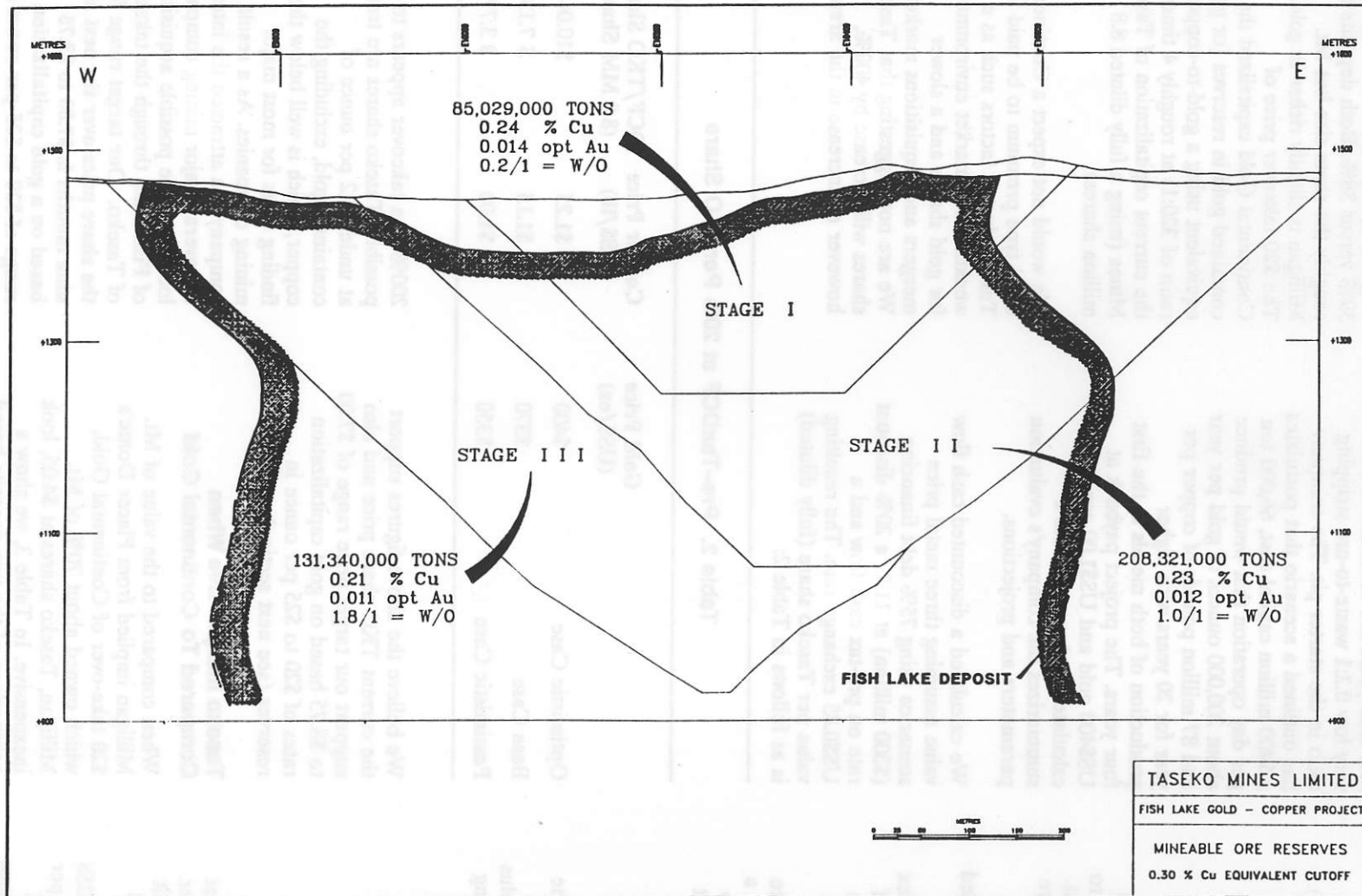


Figure 2

CUTOFF GRADE		MINEABLE ORE RESERVES					
NSR \$/ ton	Cu EQUIV. %	TONS	Cu %	Au opt	Cu EQUIV. %	Au CONTAINED ounces	WASTE ORE
2.50	0.20	497,700,000	0.21	0.011	0.53	5,475,000	0.8 / 1
4.00	0.30	424,700,000	0.22	0.012	0.57	5,096,000	1.1 / 1
5.00	0.40	342,000,000	0.24	0.013	0.62	4,448,000	1.6 / 1
STAGE I PIT	0.20	85,029,000	0.24	0.014	0.62	1,194,000	0.2 / 1

Table 1. Fish Lake Project: Company Projections

EVALUATION PARAMETERS	
METAL PRICES	Gold US\$ 400 / oz Copper US\$ 1.00 / lb
EXCHANGE RATE	C\$ 1.00 = US\$ 0.81
SMELTER TERMS	Japanese Smelter Schedule Treatment and Refining Copper US\$ 0.25 / lb Gold US\$ 7.00 / oz
COPPER CONCENTRATE TRANSPORTATION COST	\$ 65 / ton concentrate
OPERATING COST	Mining \$ 0.60 / ton Broken Milling \$ 2.15 / ton Milled G & A \$ 0.40 / ton Milled

MINE MODEL

Milling Rate (tons/day)	66,000
Milling Rate (tons/year)	22,090,000
Mine Life (years)	20
Project Capital Costs (C\$)	400,000,000
Waste / Ore	0.5/1 - 1.3/1
Mine Site Costs (C\$/ton)	3.50 - 4.00
Projected Payback (years)	4

PROJECTED ANNUAL OPERATIONS

	ANNUAL AVERAGE		
	Years 1-4	Years 5-20	Years 1-20
Gold Feed Grade (oz/ton)	0.014	0.012	0.012
Copper Feed Grade (%)	0.24	0.22	0.22
Gold Recovery (%)	74.3	72.3	72.7
Copper Recovery (%)	90.3	88.8	89.1
Gold Production (oz)	231,200	192,700	200,400
Copper Production (lb)	96,304,000	86,776,000	88,682,000
Gold Production Cost (US\$/oz)	220	267	258
Copper Production Cost (US\$/lb)	0.54	0.65	0.63
Gold Production Cost (US\$/oz) (Net of Copper Revenue)	51	138	121

Source: Taseko Mines Limited

Table 3. Comparison of Values

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

(1) Assumes mine-life recovery rates as follows:
 Fish Lake: copper - 89.1%, gold 72.7%
 Mt. Milligan: copper - 90.5%, gold 75.2%
 Assumes treatment and refining charges as follows:
 copper - US\$0.25/lb., gold - US\$7/oz.

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

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

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

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

Table 4. Fish Lake Project Value

<u>Taseko Per Share⁽¹⁾</u> (<u>\$</u>)	<u>Take-over Bid Value</u> (<u>\$MM</u>)	<u>Cominco Receives</u> (<u>\$MM</u>)	<u>Project Value</u> (<u>\$MM</u>)
\$4.59	\$ 40	\$ 20	\$ 60
4.67	41	24	65
6.15	54	36	90
8.21	72	48	120
11.63	102	48	150
17.33	152	48	200
23.94	210	48	258 ⁽²⁾

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

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

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

TASEKO MINES LTD.

(TKO-V)

Head Office: 1020, 800 West Pender Street
Vancouver, B. C. V6C 2V6

Major

Shareholders: Management
(51% on a fully diluted basis)

Reasons To Buy

- In house calculations by Taseko Mines' engineers for the Fish Lake deposit show proven, probable and possible reserves to be 424,000,000 tons of 0.226% copper and 0.012 oz/ton gold, which are considerably higher than Cominco's estimates.
- Fish Lake tonnage is similar to Mt. Milligan but the grade is higher in copper and lower in gold.
- Continental gold sold it's 69.84% interest in Mt. Milligan to Placer Dome for approximately \$175 million or \$20 per share. Taseko present capitalization is \$27 million on a fully diluted basis.
- The Hunter-Dickenson group, formally of Continental Gold, now manages Taseko Mines. This group brings financial as well as promotional strength to the company.
- Logistics are favourable.
- Environmental overviews by an independent consultant indicate no permitting problems.
- A revised deal with Cominco is expected.

Company Background

The company was incorporated in British Columbia in 1966. The Hunter-Dickenson group purchased financial control (51%) of Taseko Mines in January of 1991. Taseko has 100% control of the Fish Lake deposit. This is the same management that sold the Mt. Milligan deposit to Placer Dome. The Hunter group is financially strong and has been involved in numerous high profile mining ventures. Management's objective is to further develop the project and subsequently market it to a major mining company.

Evaluation

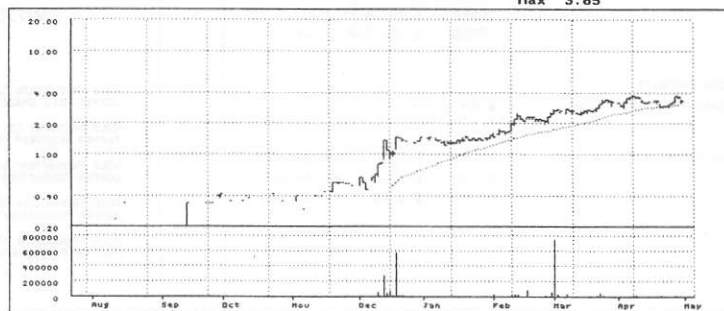
The Fish Lake deposit is located 140 miles north of Vancouver. The 150 claim property is accessible by road from Williams Lake.

In the late 70's Bethlehem Copper optioned the Fish Lake property and subsequently outlined the current known reserves. Cominco took over Bethlehem in the early 80's and inherited the Taseko option agreement. The agreement states that Cominco can earn an 80% interest by putting the project into commercial production. Cominco has maintained that the deposit is not economic and previous Taseko management could not, through court action, invalidate the option agreement. Present management is trying to renegotiate a new agreement with Cominco; failing that the issue could go back to court.

AS OF APRIL 30, 1991

Shares issued: 8,172,384
(fully diluted)
Current share price: \$3.35
12 Mo range: \$3.85 - \$0.20
Cash (April 1, 1991): \$1,500,000
Marketability: averages 30,000
shares/day

Date May. 81 Time 08:55 Online Market Enquiry Node Min .20 Vol 3056600
Max 3.85



Symbol: TKO Market: U Scale: AUTO Mode: BAR Trend: 48 AU Copy: PRN+

The Taseko orebody is cylindrical in shape, approximately 900 meters in diameter and at 600 metres is still open at depth. The grade has demonstrated a unique consistency between drill holes. Overburden is thin and the overall stripping ratio for the long term mining plan is low. A three phase mining plan has been tentatively outlined by management. The following figures are based on a 0.3% copper equivalent cutoff.

Phase #1 consists of 85 million tons of 0.24% copper, 0.014 oz/ton gold at a 0.2 to 1 strip ratio.

Phase #2 includes 208 million tons of 0.23% copper, 0.012 oz/ton gold, at a 1 to 1 strip ratio.

Phase #3 is 131 million tons of 0.21% copper, 0.011 oz/ton gold, at 1.8 to 1 strip ratio.

Previous metallurgical testing by Cominco has indicated recoveries of 88% copper, 65% gold and 50% silver in a 21% copper concentrate. The majority of the gold is associated with chalcopyrite (65 to 75%) but a significant amount (25 to 35%) reports to the pyrite and gangue-pyrite-copper mineral composites. Studies conducted by the Hunter group on Mt. Milligan ore indicate recoveries may be improved by utilizing two separate grinds and floats. A coarse grind and bulk sulphide float, followed by bulk concentrate regrinding and then copper-pyrite separation and concentrate cleaning.

All previous metallurgical test work completed on the project over the past 15 years has been evaluated by an independent consultant. It was found that, dependent on grade, copper recoveries varied between 78 and 92% and gold between 65 and 77%. The ore is amenable to conventional copper flotation and the concentrate should be marketable.

Preliminary environmental examinations do not appear to indicate any problems. The Fish Lake deposit has relatively low pyrite and moderately high carbonate content, which should keep acid generation at a minimum. Also there are no indications of metal such as mercury, antimony, or cadmium in sufficient quantities to indicate a potential environmental concern.

Three waste disposal sites appear to be available and Taseko Mines holds or controls mineral claims at all three sites. Also there is adequate area for rock dumps immediately north of Fish Lake.

Power is available approximately 75 miles away and road access would require no upgrading except for the last 8 to 10 miles.

The two following tables outline the evaluation parameters and a mine model for the Fish Lake project as equated by Taseko Mines.

FISH LAKE GOLD - COPPER PROJECT

EVALUATION PARAMETERS

METAL PRICES	GOLD \$ US 400 / oz COPPER \$ US 1.00 / lb
EXCHANGE RATE	\$ C 1.00 = \$ US 0.81
SMELTER TERMS	JAPANESE SMELTER SCHEDULE TREATMENT AND REFINING COPPER \$ US 0.25 / lb GOLD \$ US 7.00 / oz
CONCENTRATE TRANSPORTATION COST	\$ 65 / ton
OPERATING COST	MINING \$ 0.60 / ton BROKEN MILLING \$ 2.15 / ton MILLED G + A \$ 0.40 / ton MILLED

TASEKO MINES LIMITED

FISH LAKE GOLD - COPPER PROJECT

MINE MODEL

MILLING RATE (tons/day)	66,000
MILLING RATE (tons/year)	22,090,000
MINE LIFE (years)	20
PROJECT CAPITAL COSTS (C\$)	400,000,000
WASTE / ORE	0.5/1 - 1.3/1
MINE SITE COSTS (C\$/ton)	3.50 - 4.00
PROJECT PAYBACK (years)	4

PROJECTED ANNUAL OPERATIONS

	ANNUAL		AVERAGE
	YEARS 1-4	YEARS 5-20	YEARS 1-20
GOLD FEED GRADE (oz/ton)	0.014	0.012	0.012
COPPER FEED GRADE (%)	0.24	0.22	0.22
GOLD RECOVERY (%)	74.3	72.3	72.7
COPPER RECOVERY (%)	90.3	88.8	89.1
GOLD PRODUCTION (oz)	231,200	192,700	200,400
COPPER PRODUCTION (lb)	96,304,000	86,776,000	89,682,000
GOLD PRODUCTION COST (US \$/oz)	220	267	258
COPPER PRODUCTION COST (US \$/lb)	0.54	0.65	0.63
GOLD PRODUCTION COST (US \$/oz) (NET OF COPPER REVENUE)	51	138	121

TASEKO MINES LIMITED

Project Comparison

*Mt. Milligan and Fish Lake (reserves calculated by Taseko engineers)**

Project Comparison Mt. Milligan and Fish Lake							
	Cutoff Grade % Cu or g Au/t Equivalent	Tonnes	Au g/t	Cu %	Grade % Cu or g Au/t Equivalent	Contained Au ounces	W/O
MT. MILLIGAN	0.20	499,255,000	0.39	0.18	0.50	6040000	0.6/1
	0.30	408,441,000	0.44	0.19	0.55	5840000	0.9/1
	0.40	299,835,000	0.53	0.22	0.67	5280000	1.6/1
FISH LAKE	0.20	451,483,000	0.38	0.21	0.53	5470000	0.8/1
	0.30	385,276,000	0.41	0.22	0.57	5100000	1.1/1
	0.40	310,266,000	0.45	0.24	0.62	4450000	1.6/1

JPF - APRIL 28, 1991

Recommendation

We feel the stock is a buy for the following reasons; possible deal with cominco, potential to upgrade reserves, and the company is a potential takeover candidate.

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