

883422

TOS → Gibraltar

NGMT RESOURCES LIMITED

Suite 410 - 325 Howe Street,
Vancouver, British Columbia
V6C 1Z7 CANADA

Tel: (604) 687-3520

Fax: (604) 688-3392



REPORT TO SHAREHOLDERS

March 2, 1999

Enclosed with this report is a photocopy of the share certificate for your NGMT Resources Limited shares. The originals are being held at Owen Bird, our lawyers or have been forwarded to Canadian Western Trust (or other trustee) for those of you that acquired the shares through your RRSP.

As mentioned in the December 17, 1998 Report to Shareholders, the Team has continued to work at getting the Gibraltar Project back on track. It now appears that we do have a realistic opportunity to once again acquire the Gibraltar Mine and to place it into production once copper prices return to levels that would allow for profitable operations.

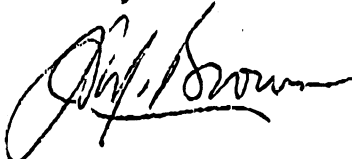
In the last couple of months we have had many meetings with a New Partner, the Government and the Union. It now appears that the New Partner, a Canadian publicly traded company, wants the project, the Government is anxious for the Gibraltar Project to be saved, as is the Union, and we have just heard back from Boliden Limited that the form of a deal that has been presented is, with minor modifications, acceptable. We will advise the name of the New Partner as soon as possible.

Taseko Mines HA

On February 3, 1999 representatives of the New Partner, the Union and NGMT met with the Honourable Dan Miller and David Zirnelt and their assistants. After several more meetings with the New Partner's representatives, we made a joint presentation to Boliden on February 24 and they responded last Friday. We are at the handshake stage and hope to finalize an agreement by the end of March. The biggest hurdle will be the environmental clearance.

Obviously you are receiving preliminary information. We are confident that this transaction will proceed because it is a positive transaction for all the participants. We will provide more details once they have been finalized.

On behalf of your Board of Directors,



John J. Brown, Chairman

John A. Chapman

From: John A. Chapman <jacms1@sprynet.com>
To: Nadia Wakefield <bhl@axionet.com>; Craig Payne <crestgeo@bc.sympatico.ca>; David Anfield <david_anfield@bc.sympatico.ca>
Sent: April 6, 1999 7:50 AM
Subject: Gibraltar

I spoke with Tom Milner on Saturday and he informed me that the Gibraltar purchase agreement between Boliden and NGMT (with support from Hunter-Dickenson) is done, but is still subject to provincial government "approval".

Boliden will not sell Gibraltar unless the government holds them harmless from the "Contaminated Site Legislation". This sweeping legislation was brought in about three years ago by the NDP because of the Expo Lands cleanup. The government passed the legislation against the warnings of its Energy and Mines department that there would be dire consequences to the mining industry in the province. Essentially the legislation says that a person or company when selling land will always be liable, now and in the future, for environmental cleanup on the land - even if they are no longer the owner.

Because metals are naturally concentrated at a mine's mineral deposit(s), and the B.C. Environment Department considers metals to be contaminants, it follows that under the above Contaminated Site Legislation that any owner of the mine past, present or future will be liable not only for their own activities but also other owners activities and also God's in creating the orebody in the first place, with all its metals.

Boliden wants to ensure that the government has no come-back on them once Gibraltar is sold. This request has caused a lot of buck-passing by the various NDP officials - and to date has not yielded any resolution. I sense that the Energy and Mines civil servants are in favour of "killing" the legislation but the NDP officials are afraid of the backlash from their environmental friends (tree-huggers).

The above information means that there is no change in the situation since I sent the shareholder letter from NGMT management on March 2, 1999. In that letter NGMT management stated, "The biggest hurdle will be the environmental clearance".

John Chapman
April 6, 1999

40,000 tpd. / 150,000 tpd.
GIBRALTAR STILL HAS A PLANT & PIT
EQUIPMENT FLEET IN EXCELLENT CONDITION
AND RESOURCES OF + 600 MILLION TONS @
0.31% Cu + SOME MoS₂ + SOME SILVER/ZINC.

Note:

BOLIDEN HAS POSTED:

\$10 MILLION IN CASH

\$17 MILLION IN GOOD MOBILE EQUIPMENT

AS BONDING FOR CLOSURE.

AS ABOVE, THEY WISH TO RESTRICT
THEIR LIABILITY IN SELLING TO THE
\$27 MILLION STATED.

Taseko to Acquire Gibraltar Mine

Page 1 of 2

TASEKO TO ACQUIRE THE GIBRALTAR MINE

April 26, 1999, Vancouver B.C.: Robert G. Hunter, Chairman of Taseko Mines Limited (NASDAQ: TKOCF, VSE: TKO), is pleased to announce that Taseko has executed an Asset Purchase Agreement with Bollden Limited and certain affiliates to acquire the Gibraltar Mine near Williams Lake in central British Columbia. The acquisition includes all Gibraltar mineral interests, mining and processing equipment and facilities.

Gibraltar is a large-scale, 35,000 tonne per day open pit copper mine. Under normal operations, it produces 80 million pounds of copper and 700,000 pounds of molybdenum annually, and employs 270 people primarily from the community of Williams Lake.

Due to recent historically low copper prices, Gibraltar mine operations were curtailed in December 1998 and are currently limited to standby care and maintenance. Upon a return to historic average copper prices, Taseko estimates that current proven reserves will sustain another 12 years of profitable mine operations. Taseko also believes the Gibraltar property has excellent exploration potential, and plans to undertake a comprehensive exploration program to further build the reserve base.

Under the terms of the Asset Purchase Agreement, Taseko will acquire the Gibraltar Mine primarily in consideration of maintaining the mine on a standby care and maintenance basis until copper prices stabilize at a profitable level. Taseko will also assume responsibility for ultimate mine closure following the exhaustion of copper reserves. As part of the agreement, Bollden has agreed to leave in place its current reclamation bonding with provincial government agencies.

Bollden will also provide Taseko with \$17M of staged working capital funding in consideration of the allotment and issuance of an interest-free debenture, convertible into shares of Taseko for a 10-year period commencing at prevailing market prices and escalating by \$0.25 per year. After five years, the debenture is convertible at Taseko's option at prevailing market prices. Completion of the agreement is conditional upon certain events, including the parties entering into satisfactory arrangements with the Government of British Columbia respecting the transfer of operating permits, closure responsibility and limitation of liability for Bollden. Subject to these conditions, the transaction will be completed before the end of June 1999.

] \$27M
(10-cash
17-equip)

*

Since 1972, annual production at Gibraltar has averaged 75 million pounds of copper in a 28% concentrate, five million pounds of cathode copper from a solvent extraction electrowinning (SX-EW) plant and 700,000 pounds of molybdenum in concentrate. In total, the mine has processed 290 million tonnes of ore grading 0.35% copper and 0.016% molybdenum. Gibraltar has employed an average of 270 workers, paid an annual average payroll of approximately \$15 million and expended about \$5 million per year on local goods and services since the commencement of operations.

The Gibraltar Mine is one of the most efficient large-scale open pit mining operations in the world. The expertise of Gibraltar personnel is expected to significantly enhance the development potential of Taseko's Prosperity Gold-Copper Project, which is also located in the Williams Lake area. In particular, Gibraltar operating experience is being tapped to test and enhance the design and engineering concepts detailed in the Prosperity Feasibility Study, which is expected to be completed over the next several months.

Tom Milner, Gibraltar Mine Manager for the past four years, has joined Taseko as Director of Mining and will be responsible for optimizing the design and operating synergies between

Taseko to Acquire Gibraltar Mine

Page 2 of 2

Gibraltar and the proposed Prosperity open-pit gold and copper mine. Given an improvement in metal prices, Taseko shareholders and the people of British Columbia will profit from the reopening of Gibraltar and the efficient development of the Prosperity Project.

ON BEHALF OF THE BOARD

Robert G. Hunter

Chairman

No regulatory authority has approved or disapproved the information contained in this news release.