

2006, and a new concentrator will be built to process the sulphide ore. The expanded copper production rate should be achieved in the first half of 2007.

The Cerro Verde expansion will benefit from the availability of current infrastructure and the work force of 660 currently employed at the mine. Phelps Dodge estimates that 2,400 construction jobs will be created at peak construction and that 350 permanent jobs will be added at the mine. About 1,000 permanent indirect jobs will be created in the surrounding community.

The Cerro Verde expansion will be financed with a combination of Cerro Verde cash and project debt. Final approval to proceed with the expansion is contingent on receiving all required government permits and placing of necessary project financing.

In announcing its plans to expand Cerro Verde production, Phelps Dodge also said it expects to reduce its ownership interest in Soc. Minera Cerro Verde, the operating company at the mine. Phelps Dodge's ownership interest in Minera Cerro Verde currently stands at 82.5%.

Cia. Minera Buenaventura, a publicly traded Peruvian company that currently has a 9.2% interest in Cerro Verde, has agreed to increase its interest up to a maximum of 20%, and Sumitomo Metal Mining and Sumitomo Corp. of Japan have agreed in principle to acquire jointly an equity position in Cerro Verde of 21% to 25%. The Buenaventura and Sumitomo transactions were subject to a variety of conditions, including approvals of their boards of directors and execution of definitive agreements. Soc. Minera Cerro Verde expects to receive proceeds of \$400 million to \$500 million from the Buenaventura and Sumitomo transactions, depending on the extent of their participation. Phelps Dodge will retain a majority interest in the operating company.

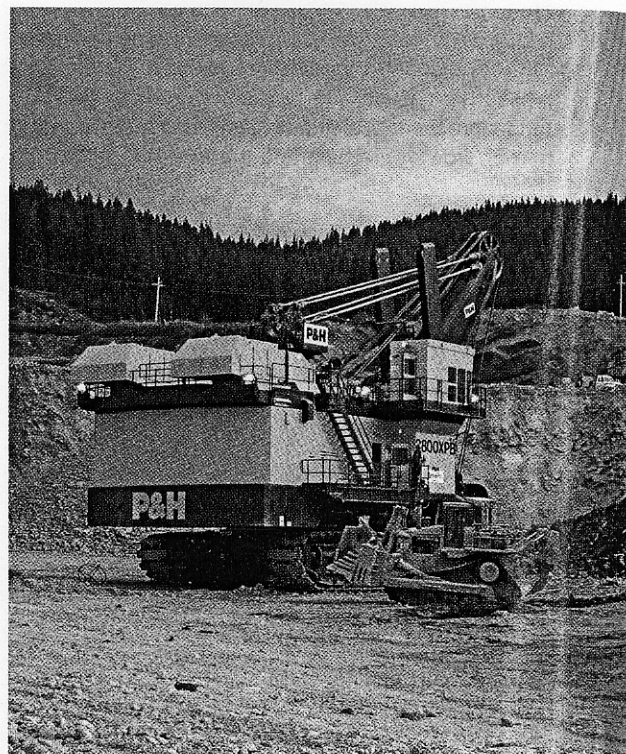
### Gibraltar Returns to Production

Taseko Mines reported on Oct. 13, 2004 that the Gibraltar open pit copper-molybdenum mine near Williams Lake, British Columbia, was back in production at a mining rate of 35,000 mt/d. The mine had been on care and maintenance since 1999 as a result of low copper prices. Gibraltar ore is now being mined and processed on a 24 x 7 schedule, and the first truckload of copper concentrate has been shipped.

Commissioning of all new mining equipment at the Gibraltar mine was essentially complete as of mid-October. A new 40-yd<sup>3</sup> P&H Model 2800XPB shovel was at work in the pit, and four of five new 205-mt-capacity Terex Unit Rig trucks were fully assembled and in operation. The final truck was slated for commissioning before the end of the month. Older

equipment already on the property included two shovels and six trucks.

Ledcor Mining is conducting mining operations in the Gibraltar pit under a joint venture agreement announced in early June and signed in late September. The mill will produce an average of 70 million lb/y of copper and 980,000 lb/y of molybdenum in concentrate from sulphide ore. An additional 10 million lb/y of copper cathode can be produced from an existing solvent extraction-electrowinning plant when oxide material is accessed.



New equipment at the recently restarted Gibraltar mine include a P&H 2800XPB shovel and five new Terex Unit Rig haul trucks.

The Gibraltar mine was originally developed by Placer Development, the predecessor of Placer Dome, and produced its first copper concentrate in March 1972. In total, the mine has produced 290 million mt of ore, grading 0.35% copper and 0.016% molybdenum. Sulphide mineral resources currently are estimated at 745 million mt, grading about 0.3% copper at a 0.2% copper cut-off — a total of 4.7 billion lb of contained copper. These resources include measured and indicated resources of 14 million mt, grading 0.31% copper and 0.01% molybdenum, which are included in a 12-year mine plan.

Taseko believes that in-pit mineral resources are sufficient for a minimum of 15 years production, with potential for at least an additional 15 years of production from additional resources.