

# Taseko eyes \$800M copper-gold mine in BC

## EXPECTS 40% PRODUCTION INCREASE AT GIBRALTAR IN 2007

→ Red Chris  
Prosperity  
→ Gibraltar

VANCOUVER — Eyeing growth in British Columbia, **Taseko Mines** (TKO-T, TGB-X) says it could cost as much as \$800 million to develop a B.C. mine that would form a key building block in the company's plan to join the ranks of mid-tier copper producers like **Aur Resources** (AUR-T, AURRF-O).

A financing on that scale would make the Prosperity copper-gold property one of the largest private sector capital investment projects that B.C. has seen this decade, says Taseko spokesman Brian Bergot.

The Vancouver company is preparing an environmental assessment for the project while gearing up for a sharp increase in metal production at its flagship Gibraltar mine, which is also located in the Williams Lake region

of south-central B.C.

Taseko expects Gibraltar to produce 60-70 million lbs. copper during the fiscal year ended Sept. 30, 2007, an increase of up to 40% from 49 million in fiscal 2006.

During a conference call with analysts in December, company officials attributed the expected rise to a number of factors, including improved ore grades, increased mill throughput and additional cathode copper output from a rehabilitated solvent extraction-electrowinning plant.

The combination of those factors will also drive molybdenum production to 1 million lbs. this year, up from 821,000 in fiscal 2006, the company says.

Still, Taseko CEO Russell Hallbauer described the production forecast for Gibraltar as a "broad brush guidance," and said the projections could be affected by a global shortage of rubber tires.

Like dozens of resource extraction companies, Taseko is affected by a tight market for tires because it uses a fleet of haulage trucks to

transport ore to the concentrator at Gibraltar. Due to a lack of tire supply, tons mined at Gibraltar were lower in the fourth quarter of fiscal 2006, compared with the previous year.

Meanwhile, with 2010 targeted as a potential startup date, Prosperity is expected to produce 100 million lbs. copper and 250,000 oz. gold in concentrates annually, creating full-time work for 500 miners.

A key challenge for the company will be coming up with a plan to compensate for the thousands of rainbow trout that will be lost from a nearby lake that Taseko may use to store waste rock and mine tailings while the mine is in production.

Scott Jones, general manager of project development with Taseko, says the plan to deal with the loss of fish will be a key component of an environmental assessment report, due by the end of April.

"We will compensate by enhancing something that exists already or creating something new," Jones says, adding that at this stage, he can't be

more specific.

In keeping with its growth plan, Taseko is also trying to acquire **bcMetals** (C-V, BMTLF-O). Taseko recently matched a \$1.10-per-share bid by **Imperial Metals** (III-T, IPMLF-O) in an effort to snap up bcMetals' main asset, the Red Chris copper-gold property in northwestern B.C.

If the bid succeeds, Red Chris could be another building block in the company's expansion effort, producing 100 million lbs. copper and 75,000 oz. gold annually from a starter-pit operation, beginning as early as 2008, the company said.

Separately, Taseko reported a profit of \$32.9 million or 29¢ a share in fiscal 2006, up from \$23.3 million or 23¢ a year earlier.

The profit increase, announced on Dec. 19, came just days after Taseko reported a sharp increase in

reserves at Gibraltar.

After adding another 74 million tonnes to previous estimates reported in September 2005, the company said mineral reserves at Gibraltar now stand at 256.4 million tonnes, grading 0.32% copper and 0.01% molybdenum.

That's sufficient to sustain the operation for at least 15 years after the company completes a \$62-million mill expansion this year that is designed to raise the mine's production rate by about 30% from current levels.

Betting it can continue to add reserves at Gibraltar, the company will continue to run two drill rigs on the property.

"We are confident that we will encounter new mineralization and further increase our reserves," Bergot says.

WERNECKES - GREAT BEAR LAKE - COPPERMINE - THELON BASIN  
NORTHERN EXPERTISE IN APPLIED  
GEOLOGY & GEOPHYSICS FOR URANIUM



YELLOWKNIFE  
(867) 920-2729

www.aurorageosciences.com

WHITEHORSE  
(867) 668-7672