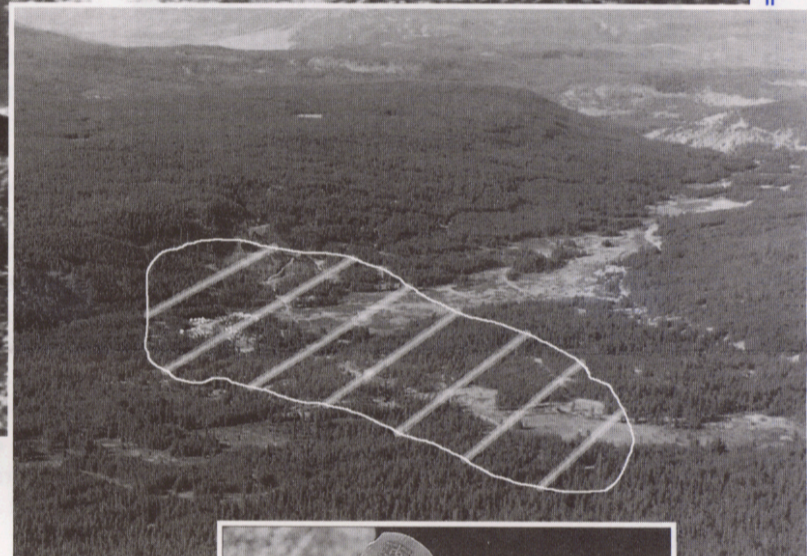
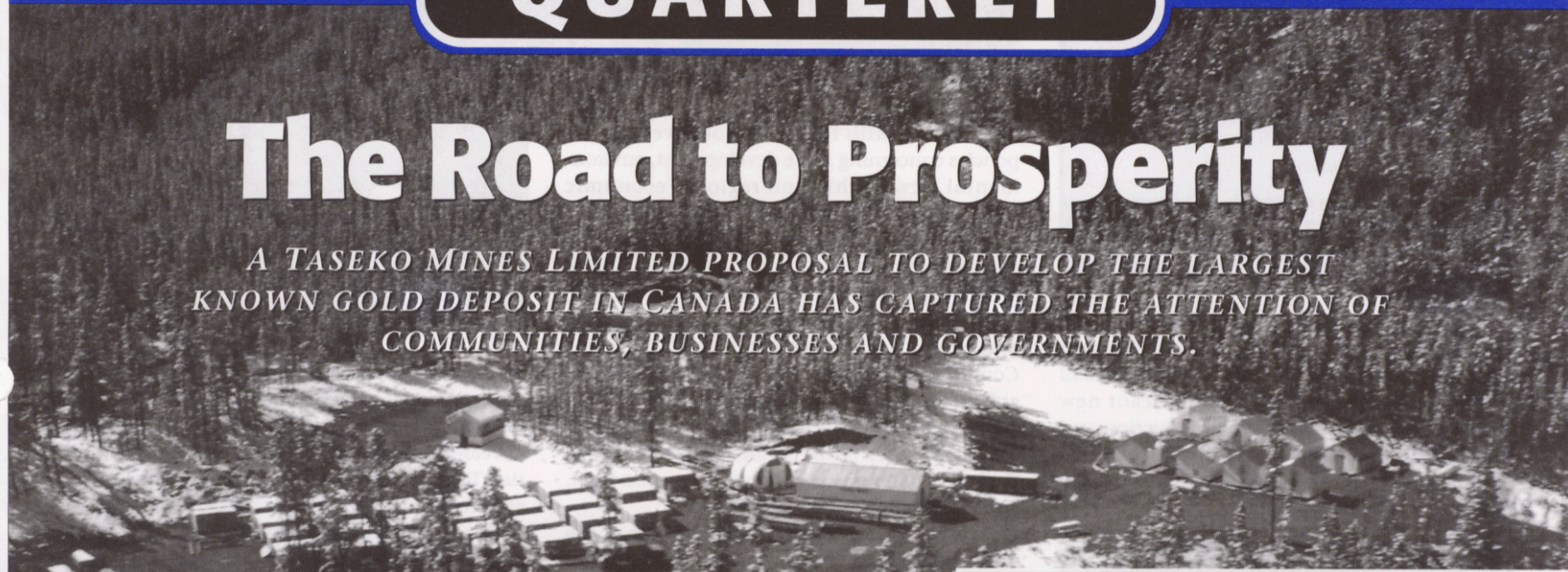


MINING

QUARTERLY

The Road to Prosperity

A TASEKO MINES LIMITED PROPOSAL TO DEVELOP THE LARGEST KNOWN GOLD DEPOSIT IN CANADA HAS CAPTURED THE ATTENTION OF COMMUNITIES, BUSINESSES AND GOVERNMENTS.



IT WAS MARK TWAIN WHO SAID: "Everybody talks about the weather, but nobody does anything about it." If the great American populist writer was alive today, he might have said: "Everybody talks about economic diversification and job creation, but nobody does anything about it."

Despite the best intentions of government and industry, the modern reality is that opportunities to develop significant new sources of wealth and employment are few and far between. That's why the people of the Cariboo-Chilcotin - as well as the provincial and federal governments - have registered so much interest in Taseko Mines Limited's Prosperity Gold-Copper Project, 125 kms southwest of Williams Lake, BC.

With mineable reserves of 9.4 million ounces of gold and 3.5 billion pounds of copper, Prosperity could soon take its place among the most significant mine developments in BC history.

"The Prosperity Project will support 600 direct jobs with an average annual salary of \$60,000 for a period of more than 30 years," said Taseko President Robert Dickinson. "That's a tremendous amount of new wealth to inject into a region at a time when the traditional forest-based economy has fallen on hard times.

"We believe Prosperity is going to have an overwhelmingly positive impact on the Cariboo-Chilcotin, particularly in nearby native communities where job creation and economic development are a chronic problem."

Dickinson said the significance of the Prosperity Project has captured the attention of local politicians, business leaders and community organizations. The Cariboo Regional District, the District of 100 Mile House, the City of Williams Lake, local chambers of commerce, industry associations, service clubs and labour councils have all petitioned the federal and provincial governments to initiate an

environmental assessment review of the project.

"It is our belief that the Prosperity Project has the potential to be a significant contributor to a sustainable resource industry in the Cariboo-Chilcotin," Williams Lake Chamber of Commerce President Ken Wilson wrote in a 1996 letter to BC's environment minister. "A fair and timely review of the project... is essential, and will do much to ensure the international investment community that British Columbia remains a viable location for resource investment."

The local community's enthusiasm for Prosperity is understandable. In addition to creating a major new industrial consumer of local goods and services, the purchasing power of Prosperity employees will benefit businesses throughout the region. Taseko estimates that Prosperity's total employment impact, including direct and indirect jobs, will exceed 1,200 full-time positions.

By way of comparison, the provincial government's jobs strategy for the Cariboo-Chilcotin region is to create 1,000 new jobs by encouraging development on seven million hectares of land designated for resource management. Prosperity would surpass government's employment target by more than 20 percent, while affecting less than one-half of one percent of the

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Taseko's modern team of mining professionals expects Prosperity to become a world-class model of responsible mineral resource development.

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PROSPERITY - the particulars -	
Duration	
construction	26 months
operations	32 years
Capital Investment	
to date	\$50 million
construction	\$460 million
operations	\$325 million
Employment	
during construction	250 jobs/year
during operations	600 direct & 620 indirect jobs/year
Production	
gold	9.4 million oz.
copper	3.5 billion lb.
Tax Payments to Government	
\$82.6 million annually	

land base set aside for resource development. "Apart from the tremendous employment benefits, Prosperity is attractive to the federal and provincial governments as a significant new source of tax revenue for deficit reduction and social programs," Dickinson said. "We estimate the project will generate \$82.6 million annually in payments to government."



In addition to employment and job training for First Nations workers, Prosperity will foster independent economic development opportunities in nearby native communities.

Environmental assessment review to begin in 1997

The provincial government accepted the Prosperity Project for review under the *BC Environmental Assessment Act* (BCEAA) in June 1995, but the federal government has yet to call for a review under the *Canadian Environmental Assessment Act* (CEAA). Taseko is optimistic that the call is imminent, and that a harmonized BCEAA/CEAA environmental assessment review will begin in the first quarter of 1997.

"Environmental matters are always a major concern, (but) in Canada we believe we can rise to the challenges we face by working together," Federal Natural Resources Minister Anne McClellan told international investors last spring. "We in government see ourselves as partners with industry because we share a mutual interest in the economic, environmental and political health of the mining industry."

Bruce Jenkins, Taseko's Director of Environmental Affairs, says the Prosperity Project



The Prosperity Project will provide the 1,000 jobs promised by the Cariboo-Chilcotin Land Use Plan, with all project facilities contained in land areas expressly identified for resource development.



Five years of detailed environmental studies, including monitoring and field surveys of the region's water, climate, wildlife, fisheries and vegetation, has prepared Taseko Mines Ltd. for the commencement of the environmental assessment review process.



is consistent with both levels of government's policies concerning mine development, environmental stewardship and regional economic diversification.

"Prosperity will become one of the first mine development proposals in BC history to receive regulatory and public review through a single, coordinated process involving both provincial and federal authorities," he said. "Given this Company's outstanding commitment to sustainable development and public consultation, we believe our review will set a new standard for BC's mining industry in the realm of open, informed decision-making that respects environmental, social and economic concerns."

Taseko Mines Limited is a member of the Vancouver-based Hunter-Dickinson Group of companies. Hunter-Dickinson employs a dynamic team of more than 100 professional men and women, including many of the best and brightest in the Canadian mining establishment. The team has been instrumental in the development of some of BC's most notable mining projects, which together represent more than \$1 billion in investment.

To date, \$50 million has been invested by shareholders from around the world in support of Taseko's Prosperity Project. Another \$460 million in construction costs and \$325 million in operating capital will be invested upon project approval.

Involving communities key to modern mine development

Successful modern mine development involves more than attracting foreign investment and meeting government standards for engineering and environmental studies. Hunter-Dickinson attributes the success of its companies to two guiding principles:

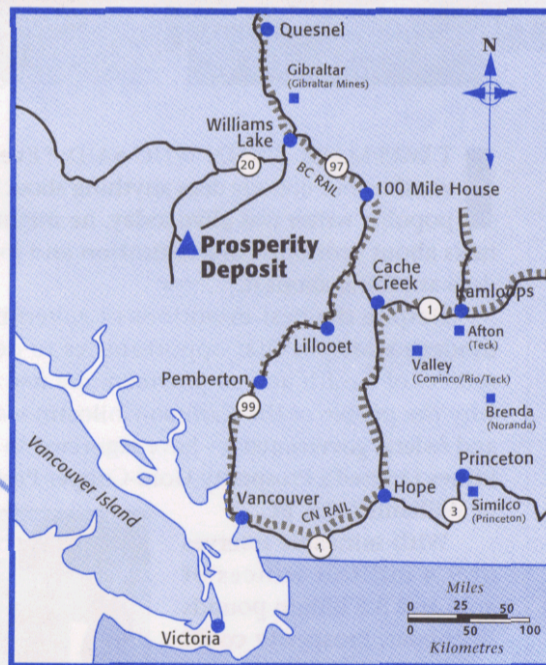
- a commitment to high environmental standards that reflect the Company's long-term interest in preserving the environmental health and productivity of its home province; and,
- a commitment to actively engaging local communities in the mine development process.

Both of these principles are in evidence at Prosperity.

"We've made a concerted effort over the years to inform local communities about the Prosperity Project, and to understand their priorities for social and economic development and environmental stewardship," said Jenkins. "As we get further into the environmental assessment review process, there will be an even greater opportunity for communities to become involved in the overall design of the project."

Working closely with First Nations

As the communities in closest proximity to Prosperity, First Nations are a key stakeholder group for Taseko. The Company is actively working with the local native leadership to develop a mutually acceptable process for ensuring that First Nations' issues and concerns are adequately addressed.



Located 125 kms southwest of Williams Lake, BC, the Prosperity deposit is ideally situated to utilize existing roads, power corridors and other infrastructure.

done before the economic, social and environmental benefits associated with Prosperity are realized. Developing a final mine development plan with key stakeholders and facilitating Ministerial approval through the BCEAA/CEAA environmental assessment review process will take at least 18 months.

"Given the significant and far-reaching benefits of the project, and the progressive approach we've taken to community and environmental issues, we're really looking forward to getting the environmental assessment review underway," Dickinson said. "Projects with this kind of global significance don't come along every day. When they do, I think it's incumbent on all of us to find a way to make them work without sacrificing our high environmental standards." ■